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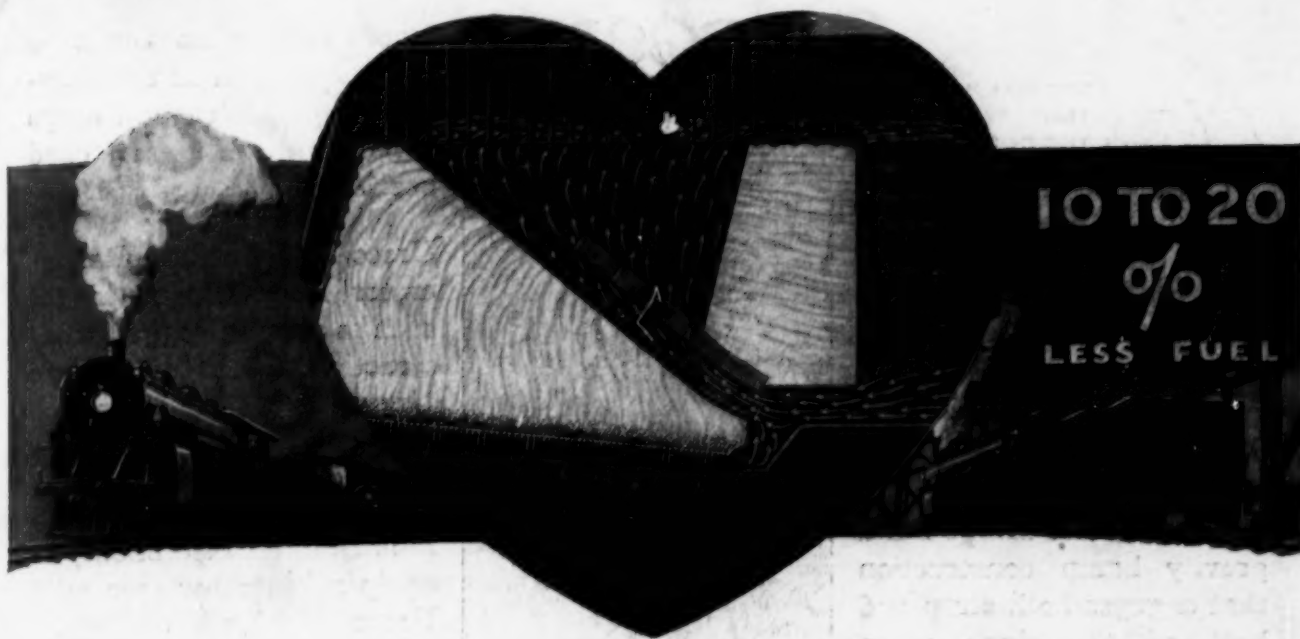
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# Railway Age

FIRST HALF OF 1924—No. 18

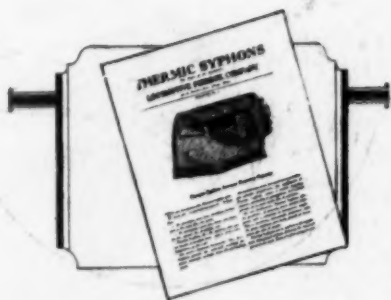
NEW YORK—APRIL 5, 1924—CHICAGO

SIXTY-NINTH YEAR



10 TO 20  
%  
LESS FUEL

## More Tonnage or Less Fuel



*Bulletin No. 5 explains  
how Nicholson Ther-  
mic Syphons increase  
capacity without add-  
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your copy.*

**L**ESS fuel to haul a given load or an increase in ton-  
miles hauled—

You can use the economy of Nicholson Thermic Syphons  
in either of these two ways.

If traffic is light the 10 to 20% fuel saving is most  
attractive.

When traffic is heavy the sustained steam pressure and  
increased draw-bar pull enable the Syphon locomotive  
to haul more tons per train.

Any way you regard it Nicholson Thermic Syphons help  
reduce ton-mile costs.

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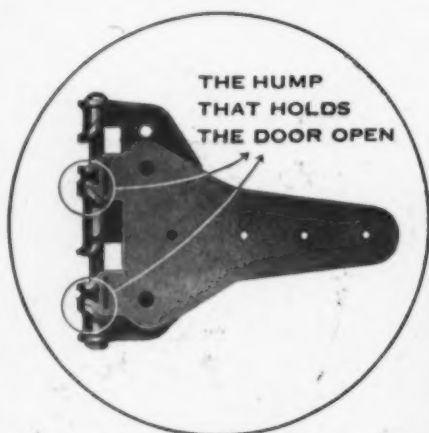
## NICHOLSON THERMIC SYPHONS

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# URECO

## SELF LOCKING REFRIGERATOR

### DOOR HINGE



The Ureco Self Locking Refrigerator Door Hinge has a gravity hump construction that engages both strap and butt of the hinge when opening door.

After the door has reached the halfway open position gravity action automatically moves door to full open position and holds it there.

The gravity hump construction then tends to act as a lock when door is fully open.

The illustration above clearly shows the gravity hump construction in detail.



The URECO Refrigerator Door Hinge locks the door securely in open position as required by A. R. A. Rule 3, Section J.

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*"What you don't have to spend for repairs is profit."*

# UNION RAILWAY EQUIPMENT CO.

McCormick Building, Chicago, Ill.

Montreal

Richmond, Va.

Volume 76

Number 18

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# EDITORIAL

## Railway Age

The Table of Contents Will Be Found on Page 5 of the Advertising Section

### Competition Closes April 15

SEVERAL announcements have been made in the *Railway Age*, and notably one in the issue of March 8, of the competition on the "Best Methods for Bringing About Cooperation Between Railways and Their Employees to Promote Efficiency." This competition will close on April 15. Contributions should be addressed to the Editor of the *Railway Age*, 30 Church street, New York.

Consignees of freight, in fifteen eastern cities, by their dilatory action in unloading cars, cause a slackening or blockading of traffic equivalent to a complete suspension of freight train movements throughout the United States for one whole day in each year; and, for an equal length of time, cessation of all loading and unloading, as well. This comparison might be looked upon as of small practical value and, indeed, as wholly fanciful; but the Car Service Division of the American Railway Association has presented data to support it, and no one will deny its reality. This estimate, reprinted in our traffic column, is based on a statement of total demurrage collections in the 15 cities for the month of October, 1923. We venture to suggest another comparison; one which may seem equally fanciful, but which would bring to light some cold facts that receive little notice: show up some of the numerous instances in which the small sum collected in the shape of demurrage on a freight car is insufficient to pay the interest and taxes on the few square yards of ground occupied by the car. Delay in unloading is costly to somebody, regardless of whether demurrage is or is not collected. And the somebody is among the shippers, consignees or owners, finally.

Railway aid in employee housing has progressed much farther in Great Britain than it has in this country. This is natural,

#### Better Homes for Employees

since the need for assistance is undoubtedly far greater there than it is on this side of the Atlantic. Still, the activity of the British railways goes so much farther than such plans usually do in this country, that it should be of interest in any part of this continent where conditions similar to those in England obtain. Under the plan in effect on the Great Western Railway, any group of employees interested in securing housing relief may, if they reside in a locality where sufficient good housing at reasonable prices is not obtainable, form a "public utility society" for the purpose of building and owning houses. To such a society the company will provide land at a ground rent of 4 per cent on the cost of the land and will advance on a 4 per cent mortgage 90 per cent of the cost of building, which does not have to be repaid for 50 years. Each member of the society wishing to occupy a house is accordingly required to advance only 10 per cent in cash, paying a rent just sufficient to cover interest, taxes, repairs and the

amortization in 50 years of the sum advanced by the company. This provides the employee with a house at a rental considerably below that generally obtainable elsewhere and provision is made for his purchase outright of the house he occupies if he so desires. An important part of the Great Western's plan is the supervision over construction; the houses must be laid out in "garden villages" and planned and their erection supervised by competent architects with competitive bidding by contractors. Such methods not only secure the economy of large-scale production, but they assure also good workmanship and avoid the monotonous uniformity so characteristic of large-scale home-building in this country. At the same time, they avoid the cheap, and therefore wasteful, construction and the usual disregard for architectural considerations which characterize the average moderate or low-priced homes and which lend to many of our railroad and industrial towns a most dismal appearance.

Group life insurance appears to be growing in favor every day, and readers who desire to promote real welfare work for railroad men will be interested in the list, printed on another page, of railroad companies which have engaged in this enterprise within the last two years—a dozen large ones and many smaller ones. The entrance of the Southern Pacific Company into this field had the effect of doubling the number of individual railroad employees enjoying the benefits of this insurance. It seems reasonable to expect that many more roads will follow the lead of these 27 companies. Five large roads which do not appear in our list have had insurance schemes in operation for many years: the Grand Trunk, the Baltimore & Ohio, the Pennsylvania, the Chicago, Burlington & Quincy and the Reading. This newer development, however, has important elements of difference, as compared with any of those five organizations, notably its simplicity; and we may fairly say that, in the language of the patent office, the insurance companies have given to the world a new and valuable combination or improvement in the machinery by which a large corporation can take a definite step toward humanizing its relations to its employees.

The number of revenue passengers handled by the railroads in commutation service in 1923 was 446,538,000, according to the monthly bulletin of traffic statistics published by the Interstate Commerce Commission. This service represented the equivalent of carrying 6,400,779,000 passengers one mile, as compared with 6,131,784,000 passenger miles for the year 1922. These statistics are regularly published by the commission but they seldom attract much attention although to a very large number of people the commutation service represents the only frequent direct contact with the railroad business which indirectly affects them in so many ways. The statistics show that the average commutation journey last year was 14.33 miles, as compared with an average of 58.6

#### Commutation Passenger Service



miles for other than commutation passengers, and the average revenue per passenger mile to the railroads from commutation service was 1.093 cents as compared with an average of 3.409 cents per mile for other than commutation passengers. The number of passengers carried in commutation service was about 45 per cent of the total number of passengers carried by the railroads, although, because of the shorter haul, it represented only about 16 per cent of the passenger miles, and the revenue from commutation passenger service, \$69,967,039, was about 6 per cent of the total passenger revenue, which for 1923 amounted to \$1,147,365,989. It is quite common for those who are urging lower passenger fares to base an argument on the fact that railroads voluntarily make rates lower than their ordinary rates for excursions or other special occasions and to contend that the low special rates prove that the railroads could handle their ordinary passenger business at lower rates and increase their density of traffic by doing so. Ignoring for the present the question of whether commutation service is or is not profitable, it affords a sufficiently extreme example to illustrate why the roads can make lower rates for some classes of traffic than they can make for others. Commutation passengers are ordinarily handled in rather crowded trains and the volume of traffic is sufficiently regular that the railroads know what to prepare for and can organize themselves for it. In the same way a railroad can organize itself for a special movement at a particular time and, knowing that its cars will be used to capacity, can afford to quote a rate lower than the standard fare. While it is true that many railway passenger cars in regular service are not filled to capacity and that additional passengers could be taken on at less than the average expense, any reduction in the ordinary rate of fare would, of course, first reduce the revenues of the railroads from the passengers they are now carrying, and any increased traffic which might be developed by reason of the lower rate would naturally distribute itself in much the same way as the present traffic is distributed instead of filling out the trains on which additional passengers could easily be accommodated. Incidentally, just as special classes of traffic can be handled at less cost per passenger than others, a service which is available only under special conditions is less valuable to the patron than the less restricted ordinary service, and thus the principle of special rates is justified on the grounds of both cost of service and value of service.

Car shortages may be caused by inability to move equipment as well as by a lack of cars of sufficient capacity to handle the traffic. While the railroads have made marked additions to their carrying equipment during the past year, the transportation of the largest sustained freight traffic in history was accomplished only by a higher average car mileage per car day. This is strikingly illustrated by the operating records of the Chesapeake & Ohio, which show that in December, 1923, freight equipment averaged 37.1 car miles per car day, as compared with 24.0 car miles per car day in December, 1922. A further study of the performance of this road for December shows that in 1923 the gross ton-mileage increased 11.8 per cent over 1922, while the number of serviceable freight cars on the line actually decreased 17 per cent. Coincident with this increase in freight car movement, it is significant to note that serviceable freight locomotives, not stored, averaged 89 miles per day in December, 1923, compared with an average of 73.5 miles per day in December, 1922. This indicates one reason why the Chesapeake & Ohio was able to make so large an increase in car mileage per car day, but it does not explain how the railroad accomplished so great an increase in the average daily mileage of its serviceable freight locomotives. Quicker turning of power at terminals and

more expeditious train movement between terminals both contributed toward increased locomotive output, but neither of these operating factors would have achieved the result without the attention given to a monthly "score card" that shows the average daily mileage of serviceable locomotives, not stored, for each division on this railroad. These figures not only receive the close attention of the management but are distributed to all division operating officers to show the average daily mileage of locomotives operated in each class of service and the percentage of this figure in relation to an assumed standard mileage for each division. The "standard" averages for all serviceable passenger locomotives range from 128 to 218 miles per day and the "standard" averages for all serviceable freight locomotives range from 75 to 145 miles per day. One hundred per cent is frequently achieved. The increased daily mileage of C. & O. locomotives in the past 12 or 15 months, as shown by these "score cards," doubtless explains to a considerable extent the creditable improvement in daily car mileage achieved by this road.

## Railway Purchases in Presidential Election Years

**F**REIGHT CAR ORDERS have thus far this year averaged about 5,000 cars weekly. The total orders reported up to the end of March was 60,231. The first three months of this year, and of last year alike, were characterized by buying movements of unusual volume. The total of orders for the first three months of this year, however, exceeded that for the same period last year; the orders in the first three months of 1923 totaled 55,805.

In 1923, the railroads made the largest addition to their freight carrying cars for any year in their history. Orders for the year totaled 94,471, about two-thirds of which business was placed in the first quarter of the year. A large share of the deliveries made were on orders placed in 1922. The car builders began the year with unfilled orders totaling about 90,000. Orders in the first quarter being in excess of production, this total was increased to 115,756 on May 1. The builders ended the year with unfilled orders for only 24,379 cars on their books. The fear is that the buying movement in 1924 may be like that of 1923; if this fear is realized it will mean that orders during the next few months will be small. Should it prove that the orders of the first three months approximate two-thirds of 1924's total freight car purchases, as in 1923, the 1924 orders will total for the year about 100,000 cars.

It may be that the railroads will be content to order only 100,000 new cars in 1924. If so what will be the result? Although the railroads installed in 1923 no less than 183,367 freight cars—more than in any previous year in their history—cars owned at the end of the year were but a few more than were owned at the end of 1922. They were actually less than at the end of 1918, 1919, 1920 or 1921. Fortunately, increased capacity and more car miles per day were sufficient to overcome the loss in numbers.

ORDERS FOR DOMESTIC SERVICE

Month	Freight cars		Locomotives		Passenger cars	
	1924	1923	1924	1923	1924	1923
January	6,020	11,025	125	358	29	559
February	18,365	10,266	85	486	293	122
March	35,846	34,514	283	514	237	291
Three months	60,231	55,805	493	1,358	559	972
Total orders in 1923		94,471		1,984		2,214

Retirements of old freight cars in 1922 totaled 123,000; in 1923, no less than 185,000. Purchases of 100,000 cars in a year would, therefore, not even compensate for retirements of old cars and still less would they permit the rail-



roads to add to their equipment sufficiently to take care of the ordinary expansion of railway transportation volume. The railroads, at the present time, are reporting good net earnings. The February reports filed thus far show substantial improvement. Car loadings continue to run at record-breaking figures. The railroads spend money when they have money. The combination of conditions is such that it will be surprising if the buying movement of the first three months of the year, which now seems to be hesitating slightly, is not resumed in the near future.

The purchases of locomotives thus far this year have totaled 493. The orders for the first three months of 1923, totaled 1358. The total of orders placed in all of 1923 was 1984, which means that, as in the case of freight cars, about two-thirds of the year's business was placed in the first quarter of the year. The railroad acquisitions of new locomotives in 1923 were the largest in their history with the single exception of the fiscal year ended June 30, 1913. On March 1, 1924, the locomotive builders had on their books unfilled orders for 457 locomotives—slightly over two months' production. The buying of new locomotives has not had so much of a boom as has been the case in freight car buying. The orders have been coming in slowly and regularly and there is no reason to expect that the orders will not continue in sizable volume.

There is a belief in some quarters that presidential election years are not good business years. This belief has now been pretty well exploded and it has been shown that business may be good or bad in presidential election years just as in any other years. The conditions applying are no different. In recent years, in fact, the presidential election years have happened to be good rather than poor years. The *Railway Age* has already discussed this point in an editorial in the issue of March 8. In that editorial it was shown that in every presidential election year since 1890, except 1908, railroad traffic volume broke all records up to the year in question. The point was made that on the basis of statistics the railways might, at this time, be preparing for another record-breaking year in 1924, or that, at any rate, they could dismiss all thought of adverse effect on railway traffic volume due to the existence of a presidential campaign. The expansion of railway traffic has continued and such interruptions as have occurred have been in other than the presidential years.

This point is worthy of amplification. It is shown to be true in connection with expansion of the railway physical plant as indicated by the figures of increase in investment, the amount of money spent for materials for maintenance and the orders for new equipment. Because conditions in the railway field have varied so widely year by year for the past ten or fifteen years, the comparison is made of years prior to a presidential election with those in which the elections occurred. The comparisons go back to 1911. Prior to 1916, the fiscal years ended June 30. Because the end of the year occurred in the middle of the campaign it is necessary to take two fiscal years; the effect of the election, if any, might have appeared in the latter part of one year and the early part of the next. The figures show details as follows:

Year ended	Increase in Property investment account	Spent for materials and supplies
June 30, 1911.....		\$462,484,000
June 30, 1912.....	\$477,191,155	470,726,000
June 30, 1913.....	600,589,302	526,403,000
June 30, 1915.....	263,729,096	488,509,000
June 30, 1916.....	281,135,100	529,113,000
Dec. 31, 1916.....	354,025,570	550,914,000
Dec. 31, 1919.....	335,219,123	1,001,648,000
Dec. 31, 1920.....	544,463,696	1,366,539,000

In the case of equipment purchases, the calendar year is used throughout. The comparison of orders in presidential election years with those in prior years follows:

	Locomotives	Freight cars	Passenger cars
1911.....	2,850	133,117	2,623
1912.....	4,515	234,758	3,642
1915.....	1,612	109,792	3,101
1916.....	2,910	170,054	2,544
1919.....	214	22,062	292
1920.....	1,998	84,207	1,781

These figures do not show that presidential election years are different from any other years as far as business is concerned, although they do point out that instead of being poor years from the standpoint of railway purchases they are unusually good years. The years in which an election occurs see business going on as usual, affected in the same manner as usual and certainly not affected by the agitation contingent upon the selection of the country's new executive.

At present there is a tendency for buyers to buy for immediate needs only. Concerns are carrying small stocks and, in addition to being cautious, are depending upon the railroads to render good service and make prompt deliveries. As a result of such good service, it is not necessary for a buyer to carry large stocks nor for a producer to carry large supplies of either raw or finished materials. Money is easy and, outside of the agricultural situation, everything is "sitting pretty." There is, however, no tendency towards inflation or a boom. It is a question how much business is being affected by the oil investigation and the political gyrations of Congress generally. The slow progress on the Mellon tax plan is, no doubt, something of a deterring factor. However, recent developments have been more favorable and may be expected to help business accordingly. The tendency, on the whole, is towards optimism.

The railway supply field so far this year has been inclined to lead the rest of industry somewhat, due to the large orders for freight cars. It may not continue to be such a leader in the remaining months of the year but everything points to a steady volume of railway traffic, favorable railway net earnings and, therefore, sizable purchases of railway materials of all kinds.

There is every reason to believe that the railway equipment purchases thus far made constitute but a small proportion of all those that will be made before 1924 is completed. There is nothing whatever to fear from the fact that 1924 is a presidential election year. The evidence of former presidential election years would lead one to be optimistic.

## Is Special Training Feasible?

WITH THE GRADUAL transition from extensive to intensive development of the railroads there is a growing tendency to take account of the policies pursued in the organization and direction of construction and maintenance of way operations. This is a healthy tendency and should be fruitful of much good. One fact which stands out prominently in a consideration of these problems is the increasing need for the employment of technically trained men and it was for the purpose of giving special study to this particular problem that the American Railway Engineering Association organized a Committee on Co-operative Relations with Universities.

The work in which the young engineer is employed on entering railway service covers a much wider field than was the case of the graduate who was employed on the railroads 20 years ago. Any engineering officer in railway service who will take the trouble to make a comparison of his present duties with the training which he received during his college course will readily see that there is little in the way of special training beyond a drilling in the fundamentals, that he can apply today in his routine work. This fact has been definitely recognized by the faculties of engineering schools and efforts are being made to modify courses of study to the

end that they will more nearly meet present day requirements. This has consisted, in the main, in the assignment of a larger amount of time to a grounding in the fundamentals, with the addition of what may be termed broader courses covering economics, business administration, etc., with, perhaps, an additional year devoted to specialization in some particular line.

It is to be seriously questioned whether specialization as regards railway engineering can be made of particular value. Maintenance of way work, for instance, is of an exceedingly diversified nature and, owing to the fact that the graduate entering railroad service is necessarily given little opportunity to choose a particular line of development, it would be difficult to suggest what speciality he should pursue in his last year at school. Moreover, when he has advanced to positions of greater responsibility he will find that he is confronted with a diversity of problems far beyond anything that he dreamed of during his college days, for such subjects as the equipment for ballast cleaning and weed killing, the chemistry of water treatment, the economics of rail and tie renewals, the standardization of unit operations in track work, the best organization for the handling of power equipment in maintenance of way work, the economics of the length of sections and the size of section gangs, the design of water supply reservoirs and river bank protection work, all represent special engineering problems for which a man could hardly be expected to make specific preparation in his four or five years of technical training. On the other hand, in each case it is the man well grounded in engineering mathematics, physics, chemistry and economics who is best equipped to meet these problems.

## Railroad Traffic and the Business Cycle

THE RELATIONSHIP of general business activity and the volume of railway traffic takes three forms. First, is the effect on railroad traffic volume of the rate of industrial activity. The railroads are a basic industry and the most essential single factor in distribution. When business is good, railway traffic is heavy. When business is poor, traffic is small. The upward or downward trends in the one synchronize closely with those of the other. There are few, if any, industries in which the synchronism with the changes in business conditions is closer than is the case with the railroads. Second, is the effect on industrial activity of railway buying. The railways as an industry are large users of materials of all sorts. When the railways are prosperous their purchases are large. When net income is small, purchases are small. The trouble is that railway prosperity times itself with general prosperity. Railway purchases exaggerate general prosperity; lack of railway buying in periods of depression exaggerates general depression. Third, is the effect on general business of transportation efficiency. When the railways move their traffic currently without car shortage or congestion, business benefits accordingly. When there is congestion, business is handicapped.

A difficulty with the study of the subject of economics is the inability that sometimes exists to relate the theoretical to the practical. In recent years there has been a marked improvement in this respect, which has been due presumably to the ability of the theoretical economist to analyze more adequately the actual workings of business and to the desire on the part of the business executive to have other than rule-of-thumb guidance in matters of policy. The theory of the business cycle is one of the comparatively recent acquisitions in the field of economics. It is one that has been found to have great value to business, primarily because by means of a study

of the cycle ways have been found which permit the forecasting of business trends. This forecasting is possible as relates to industry in general, to a single industry in particular, or even as relates to an individual concern.

In the *Railway Age* of March 22, there was published an article by Homer B. Vanderblue, professor of business economics at Harvard University and economist of the Harvard Bureau of Economic Research. A second article by the same author appears in the present issue. Both articles bear the title "Railroad Traffic and the Business Cycle." The first discussed the subject from the standpoint of the use of net ton-mile statistics. The second discusses it from the standpoint of freight car loadings. In the first article, Professor Vanderblue pointed out the close synchronism of the curve of net ton-miles with the curve of the business cycle. He discussed generally the methods used in studying the business cycle and it was his view that the individual railroad with its own figures should be able to work out methods analogous to those used by the Harvard Economic Service, which would permit it to forecast its own traffic or revenues and the needs with relation thereto.

The second article deals with the seasonal variation in the loadings of the various groups of commodities. Study of loadings of individual commodities is held to be a desired amplification of study of the general situation. Of special interest in the second article, is the comment with reference to the effect on general business of good railroad service. This point is a familiar one to *Railway Age* readers because much has been made of it in the editorial comments of this paper. The idea was, however, not original with the *Railway Age* and it is, therefore, a pleasure to have a statement by a representative of the organization which was the first to take official cognizance of this important factor.

The reason that the *Railway Age* has published these two articles is twofold. One is the academic interest in such an important economic theory as the business cycle. These two articles represent the first discussion yet offered of the theory of the business cycle as applied in this manner to railway transportation. The second reason is the belief that the railroads would benefit greatly were they in a position to forecast the trend of their own activity more adequately than is now the case. Such forecasting as they now do is for the most part, haphazard. Railway net earnings are limited, which means that to secure best results there must be scientific study of costs. Would not such a scientific study of costs be materially assisted by similarly scientific study of future probabilities, such as Professor Vanderblue shows to be possible? Business has come to expect excellent railway service and it is the new order of things—now that the effects of the war are largely behind us—for the railways to emphasize the necessity for such service. Preparedness for expected peaks would assist in the rendering of such excellent service.

## New Books

*Proceedings of the American Society for Testing Materials.*—Two volumes, 6 in. x 9 in., total 1,700 pages. Bound in cloth. Published by the American Society for Testing Materials, 1315 Spruce street, Philadelphia, Pa.

This publication presents in printed form the work done by this important association through its committees and members as presented at the twenty-sixth annual meeting held at Atlantic City, N. J., on June 25-29, 1923. Part 1, the larger of the two volumes, contains the reports of committees and tentative standard specifications. Part 2 covers technical papers presented by individual members.

The work of this association covers such a broad field that the technical matter presented in its publication presents a highly diversified character. For example, tentative revisions



in A. S. T. M. standards presented in this volume of the proceedings cover such items as steel track spikes; structural nickel steel; structural steel for locomotives and cars; rolled or forged blooms and forgings for locomotives and cars; standard specifications and tests for Portland cement, paving brick and sewer pipe; and standard methods of testing shellac, lubricants, etc. The technical papers also cover a wide variety of subjects among which the one most extensively covered is the properties and methods of making concrete which require further investigation. Other papers cover the properties of coke, wood preservation, apparatus for testing rubber products, the characteristics of slate, methods of testing glue, etc.

## Books and Special Articles of Interest to Railroaders

(Compiled by Elizabeth Cullen, Reference Librarian,  
Bureau of Railway Economics, Washington, D. C.)

### Books and Pamphlets

*The Argument Against Government Ownership of the Railroads*, by L. W. Baldwin. Reprinted from *Caveat*, St. Louis, of Jan., 1924. 10 p. Publisher not given, but probably obtainable from offices of Missouri Pacific Railroad, St. Louis, Mo.

*Manual of Movement (War)*. Issued by the British War Office. Transportation in war by rail, sea, and inland waterway. 218 p. Published by His Majesty's Stationery Office, London, England. 1 shilling.

*Report of the Federal Trade Commission on the Radio Industry*. Development of the industry, control of patents, traffic agreements, and other features. Published by Government Printing Office, Washington, D. C. 40 cents.

### Periodical Articles

*The Case for the Railroads*. President Rea of the Pennsylvania Answers Some Pertinent Questions We Put to Him. *Nation's Business*, April, 1924, p. 20-21.

*Coal-Storage Systems*, by H. E. Birch and H. V. Coes. *Mechanical Engineering*, April, 1924, p. 189-196. Discussion, p. 196-198, 233.

*The Farmer in Politics*. *He Hasn't Gone in for Fun—But Now He's in He's in to Stay*, by Magnus Johnson. "I am for government ownership of the roads even if we have to pay for some of the water. Government ownership would put a stop for all time to mounting capital charges and eventually would wipe them out altogether." p. 2, col. 1. *Country Gentleman*, March 29, 1924, p. 1-2.

*For Half a Century John Graney "Just Tended to His Job,"* by Keene Sumner. Story of a veteran Illinois Central engineman. *American Magazine*, April, 1924, p. 32-33, 116, 119-124.

*Railway Gages*, by Lionel Wiener. A comprehensive study of gages in most countries, their history, operating, and economic aspects. *Bulletin of The International Railway Congress Association*, English edition, January to March, 1924, p. 25-70, 87-120, 163-206.

*The Railways in 1923*. A review of railway achievements and conclusions drawn therefrom. *New Republic*, April 2, 1924, p. 140-142.

*Restoring Through Railway Travel*. Efforts toward effecting convenient and comfortable international railway travel in Europe. *International Interpreter*, March 22, 1924, p. 1609.

*The Snare of Preferential Export Rail Rates. As a Device to Aid Government Shipping They Are Fertile in Evils*, by S. G. Riggs. Aspects of Section 28 of the Merchant Marine Act. *Annalist*, March 24, 1924.

## Letters to the Editor

[The RAILWAY AGE welcomes letters from its readers and especially those containing constructive suggestions for improvements in the railway field. Short letters—about 250 words—are particularly appreciated. The editors do not hold themselves responsible for facts or opinions expressed.]

## The First Highway Crossing Sign

BALTIMORE, Md.

TO THE EDITOR:

We are trying to learn the circumstances surrounding the first use of the warning sign at highway crossings in this country. We have about exhausted our sources of information, and thought perhaps your library might contain some reference that would give information as to place, date, and railway on which such a warning sign was first used, and the circumstances leading up to its use.

H. A. LANE,

Chief Engineer, Baltimore & Ohio.

In Massachusetts the crossing sign, so long familiar in that State, lettered as illustrated at the bottom of this paragraph, was required by law in 1835 (Chapter 148, Section 5). That is the extent of the Editor's knowledge on this point at this writing. Can any reader make further answer to Mr. Lane? In 1835 there were three principal railroads in Massachusetts, the Boston & Lowell, the Boston & Providence and the Boston & Worcester. Quite likely the three will be found to have used signs all alike. The sign required by the statute extended across the highway, being supported, high enough to clear vehicles and loads, by two posts, one at either side of the road. There was one sign, on one side of the railroad, and it was lettered on both of its sides.—EDITOR.

## RAILROAD CROSSING

LOOK OUT FOR THE ENGINE WHILE THE BELL RINGS

## To Simplify Annual Passes

SPRINGFIELD, Ohio.

TO THE EDITOR:

The great expense and inconvenience connected with the issuing of exchange annual passes, as well as the inconvenience of carrying a pocket full of these passes for different roads could easily be done away with.

Establish a pass bureau under the American Railway Association, to check and supervise the issuance of passes under the following scheme:

Each road to issue passes to its own employees in accordance with the following rules:

1—Series "A" (White). Good over the entire lines and all trains of the carriers who are members of the pass bureau; to be issued to the executives.

2—Series "B" (Blue). Good over all lines of the member carriers with certain restrictions; to be issued to general officers.

3—Series "C" (Pink). Good over the lines of the issuing carrier and lines of directly connecting carriers, with restrictions as to trains and territory on the connecting carriers. To be issued to division officers and such officials as would require this pass in the performance of their duties.

4—Series "D" (Yellow). Good over the entire line of

the issuing carrier, with such restrictions as that carrier might see fit to impose.

5—Series "E" (Brown). To be good over certain divisions or districts of the issuing carrier, with any desired restrictions.

The issuing carrier would file with the pass bureau a list of its employees to whom it is issuing or intends to issue white, blue or pink passes. This list can be checked by the pass bureau and the carrier's attention called to any cases where a pass is issued not in accordance with the agreement.

It seems to me that satisfactory details can readily be worked out and an enormous amount of trouble and expense eliminated each year.

Under this plan each officer would carry only one pass. Passes of Form "B" and Form "C" would merely carry the word, "Restricted." The restrictions would be designated by each carrier for itself in its passenger folders.

PHILIP T. WHITE.

## Why?

NEWARK, N. J.

TO THE EDITOR:

I have rejoiced to see in recent issues of the *Railway Age* constructive criticism of railroads and their methods of doing business. A great deal has been said both in articles and editorials, in defense of the roads and their practices. This is unquestionably necessary, but railroad men, along with other mortals, are prone to expend too much of their energy in such ways, giving little enough thought to the possibility of radical improvement.

Has it occurred to no railroader that there is a cause for every effect as surely as that everything that goes up must come down? During all these lamentations about unfair treatment at the hands of the public haven't any of us seen a few of the reasons why? Some have seen the light and various methods have been tried for winning back the goodwill of the public.

There has been a good deal of criticism of the attitude of the employees, both to public and employer. We expect loyalty of the employees, but has it ever occurred to railroad officials that "to have friends one must be friendly," and that the company sees reflected in the men the same degree of loyalty it has already exhibited to them?

Don't come to me with the argument that it is the direct interest of the men to promote the welfare of the company. To an equal extent it is the interest of a company to promote the best interests of its men. If the officials don't see that fact, who would expect a higher order of perception in the workmen?

Time and again it may be observed that a reasonably prosperous corporation meets with a temporary slump. Not only are men laid off, but salaries are reduced as much as the officials deem will be expedient. The independent, foot-loose men are not docked, they might quit. But the more responsible men who are tied down one way or another, the men who cannot risk unemployment, these are docked. Can you deny that the employers have taught the men most of the tricks? Dare you complain when labor again becomes scarce, and the unions take advantage of the opportunity to force wages up out of all proportion to production? The shoe has changed feet, that is all. But the employers played the trick many times before the men learned to use it.

A striking instance has recently come under my observation. A corporation that has paid good dividends through thick and thin for several years, that could not, by any stretch of imagination, be said to be suffering financially now, recently reduced the salaries of two minor officials \$40 a month. These men have served the company for years. They are old enough so that it would be surprising to see them quit

and start again in some other company. They have held their present positions with apparent satisfaction to the company for several years. With the reduction in compensation there is no change in work or responsibility. The management has seen an opportunity to save the price of a messenger boy without risking the loss of the men affected. It is a clever little trick of economy—money out of the other man's pocket.

Now most of the men below these officials had looked forward more or less optimistically to those and similar positions. What is the psychological effect on them? Would you expect them to retain the same confidence, and personal loyalty to the company? Put yourself in their place. Would you not assume that the company will repeat the trick whenever, and wherever, it sees the opportunity? Would you strive steadily on toward a goal that may so easily turn to a mirage when attained? Can anyone estimate what that saving of \$80 may cost the company?

When clever little tricks by the management, repeatedly played, have brought the rank and file of men to a condition of restless dissatisfaction, even though there is no strike, what happens? You have seen it. You know the little things that go wrong, but you cannot put your finger on the cause. These little leaks and losses and unnecessary damage cost thousands of dollars, but the fun has just begun. The restless men begin to look around. Notice the ones that leave. They are the ones with initiative and ability, the ones who think more independently. Effectively indeed is the cream skimmed off, and only the blue milk remains. Truly, "whosoever hath, to him shall be given; and whosoever hath not, from him shall be taken away even that which he seemeth to have."

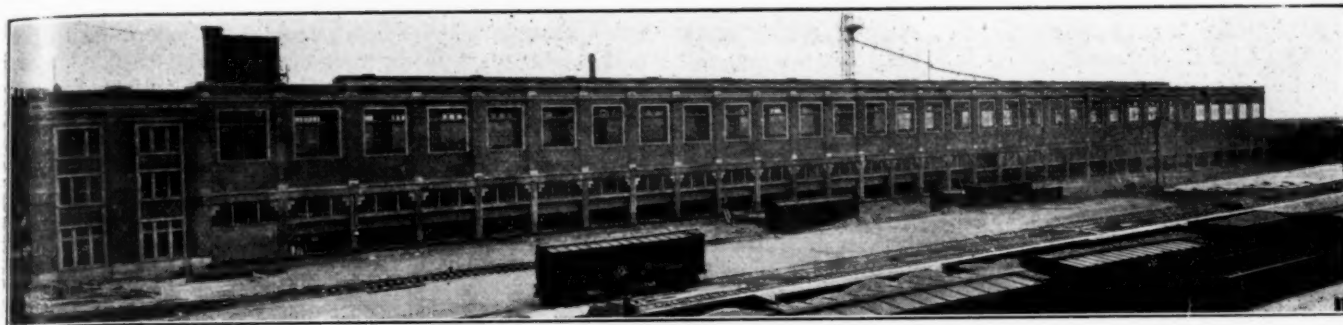
I am puzzled repeatedly by such actions. What can you name it but stupidity? If half the railway expenses are wages and salaries, why is not this money administered more intelligently? We employ the finest technical skill to design cars and locomotives, and maintain them. But very few railroads are making really aggressive efforts to study and to treat effectively their personnel problems. I believe we are treating this field very much as unprogressive farmers have, in the past, neglected their farms; until the soil is no longer fertile, and the field that once produced forty bushels of wheat, now reluctantly yields ten.

If a firm consisting of two partners spends all its energy fighting over the division of profits, how long will there be profits? Virtually, this is the railway situation. When conditions are propitious the road "economizes" on the employee's wages. When labor is scarce the unions reverse the process. The partners must work together to succeed. Railway employees and managements must pull together or fail. All that I have said is better expressed in these potent words, "Be not deceived; God is not mocked: for whatsoever a man soweth, that shall he also reap."

LAWRENCE S. MONSON.

RAILROAD TAX BURDEN is the title of a striking circular issued recently by the Buffalo, Rochester & Pittsburgh. Railroad taxes in the last two months of 1923 amounted to over a million dollars a day and for 1924 they will probably exceed \$366,000,000. Railroad taxes come out of railroad revenues, and railroad revenues come from railroad rates. The public pays railroad rates and, therefore, railroad taxes. This will be the fourth year since 1919 in which railroad taxes have exceeded railroad dividends. Railroad taxes have increased 160 per cent in the last eleven years, while dividends in that time have decreased 10 per cent. Railroad operating costs today are over 100 per cent greater than they were at the outbreak of the war, but income from the transportation of freight and passengers is only 50 per cent higher. This situation has been met only by an enormous and sustained effort to get more tons of freight into each car, more cars into each train, more work out of each shop. Unless a halt is called, railroad rates must be advanced to provide the money to pay taxes.





The Team Track Side of the House

## Pennsylvania Completes New Freight Station

Capacious Two-Level Structure the Latest Feature of Pennsylvania's Entrance Into Detroit

**T**HE PENNSYLVANIA has recently completed a local freight station in Detroit, Mich., which represents a new departure in freight house design in a number of respects and is the most important unit in its project of extension into Detroit from Toledo, Ohio. A few years ago the Pennsylvania was without an entry into Detroit, the nearest point on its line being Toledo, 56 miles south. In contrast

of this new line for the location of a terminal freight yard for the exclusive use of the Pennsylvania, and a partial development, consisting of a hump yard with a capacity of about 1,200 cars, with engine facilities, etc., has been constructed. The development from this point consisted of the acquisition of the joint use of all of the Pere Marquette and Wabash tracks in the industrial area east of the River Rouge (as shown on the map), of the West Detroit branch of the Pere Marquette from Oak to a junction with the Grand Trunk at Junction avenue, and of the Wabash from Junction avenue back to Delray. It included the development of a belt line, partly by the use of Pere Marquette tracks and partly by the construction of a new line to the north and east, largely through undeveloped industrial property to Livernois avenue, a distance of six miles from the junction with the Pere Marquette, also certain extensions, chiefly to the new plants of the Paige-Detroit Motor Company and the Detroit Seamless Tube Company. All the Pennsylvania

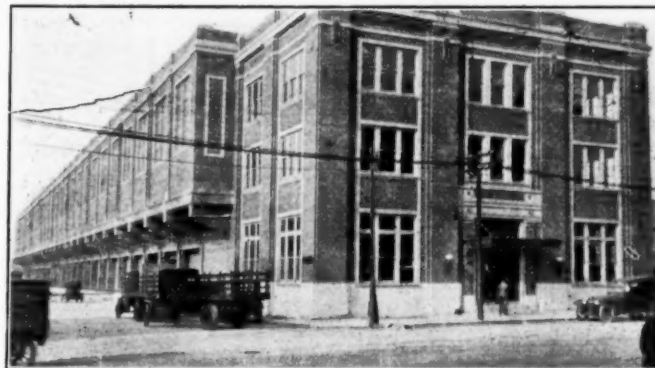


The 25-Ton Gantry Crane at the Summit Street Yard

to the methods employed and the extremities to which railroads were often driven when entering a city in the days of bitter competition, the Pennsylvania was successful in reaching Detroit, in large measure, by means of trackage rights on other lines on equal terms generally with the owning roads and in building a terminal facility within a half mile of the heart of the city, all at the comparatively moderate outlay of \$15,000,000.

As described in detail in the *Railway Age* of June 24, 1922, the route of the Pennsylvania's new extension begins at Toledo with the use of the Ann Arbor tracks from a junction with the Pennsylvania to a connection with the Pere Marquette at Alexis, a distance of 4.37 miles. For the accommodation of this increased business the Ann Arbor built second track for the entire distance. From Alexis the Pennsylvania acquired trackage rights over the Pere Marquette's double track line for a distance of 25.3 miles to Carleton. From this point to a junction with the Wabash at River Rouge the Pennsylvania purchased right-of-way and constructed a new single-track line 20 miles long with the provision for a future second track as soon as the traffic will require it.

About 300 acres of land were acquired at the Detroit end



A Front View of the Building, Showing the Overhang of the Track Level

tracks in the development, except the team and freight house tracks, are open to joint use of the Pere Marquette and Wabash.

### Freight House Is 800 Ft. Long

The new freight house is a two-level structure of concrete, steel, brick and terra cotta, 65 ft. wide and 780 ft. long, located at the intersection of Third and Larned streets about 200 ft. south of the Union passenger station. This leaves room for three pairs of team tracks adjacent to the house and additional space between it for an inbound house if the

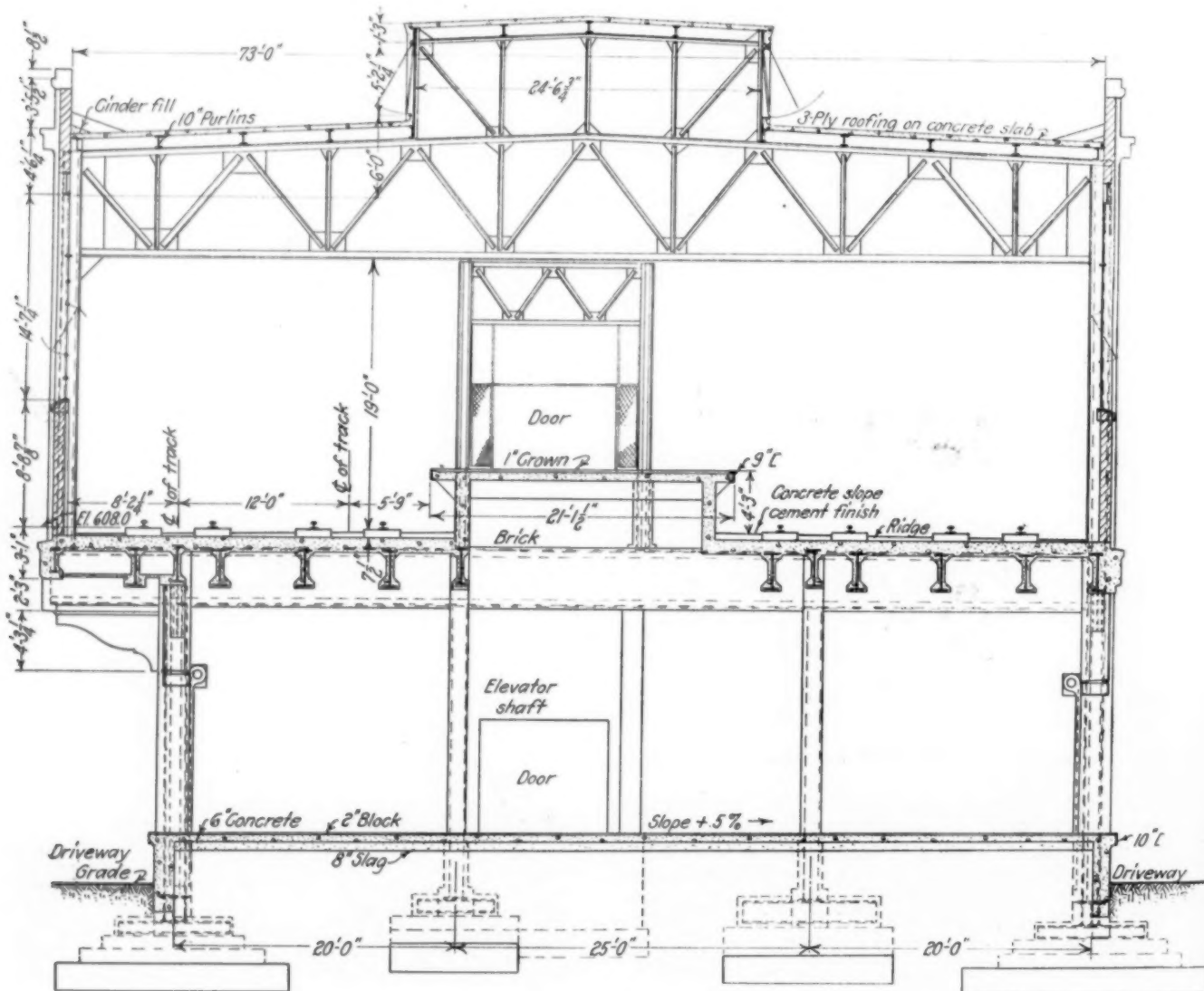
future traffic should require it, the present building being designed as an outbound unit in the event that the terminal facilities are enlarged.

Contrary to the usual arrangement of multiple type houses, the railroad tracks in the new building are located on the upper level. This is because the house is approached from the elevated viaduct entrance to the Union passenger station. The new terminal facilities are served by a single track lead which divides into two tracks a short distance from the viaduct, one of which descends to the team tracks on a three per cent compensated grade, crossing over Sixth street on a temporary bridge immediately in the rear of the freight terminal. The other extends on an embankment parallel with West Jefferson avenue, crosses Sixth street on a concrete-

tors operating in brick-lined shafts, each independent of the roof. Four of these elevators have 9-ft. by 18-ft. platforms of 10,000 lb. capacity, while the fifth has a 9-ft. by 30-ft. platform of 15,000 lb. capacity. The latter elevator is near the west end of the building, being located at this point for convenience in handling bulky materials. These elevators are located along the Larned Street side of the platform to accommodate the platform scales on the lower level and to afford ample passageway for trucks along the upper level platform.

#### Drayage Frontage Large

The lower or street level floor is the trucking story of the building. This floor is 780 ft. long, comprising 560 lin.



A Transverse Section of the Freight House Showing Typical Construction

encased steel viaduct (which is integral with the concrete approach to the freight house) and then diverges into two tracks, one of which subsequently divides into two tracks which enter the freight house on the Larned street side, while the other also forms two tracks which run the length of the house on the opposite side, thus making four tracks in all in the house with a capacity for 59, 40-ft. cars.

Separating these two sets of tracks, which are on 12-ft. centers, and car door high, is a 660-ft. platform 21 ft. wide throughout most of the distance, tapering to six feet where the tracks enter the building. Freight is handled between this floor and the lower level by five K & H automatic eleva-

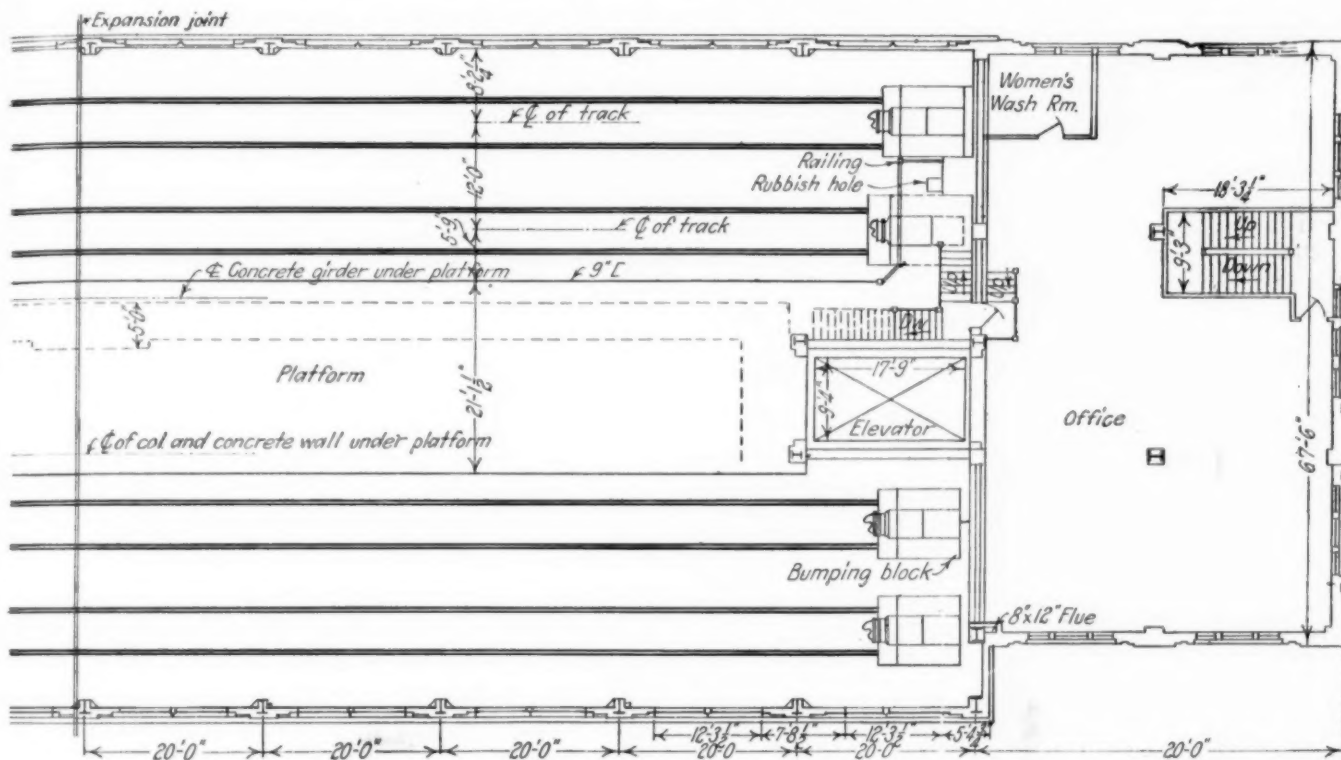
ft. of floor 65 ft. in width, immediately below the upper level of the house and an additional 220 ft. below the elevated approach to the house, this portion narrowing from 65 ft. to a minimum of 10 ft. at the rear. On both sides of the house are rows of Kinnear steel rolling doors, with 37 doors on each side and 1 door at the end. These doors are 16 ft. wide and are separated only by the steel columns of the building, thus giving continuous drayage frontage around the building which may be approached either from Third street on the front, Larned street along the side or Sixth street at the rear.

Conveniently located on this floor are five platform scales,



four of 6,000 lb. capacity and one of 13,000 lb. capacity, all equipped with Toledo automatic dials. At the forward end of the house are two large rooms, one of which is used for the storage of valuable packages and as a charging station for the electric trucks employed in the freight house and the other for the storage of over freight. Each of these rooms is

sash in a monitor roof 6 ft. high and 25 ft. wide which extends along the center of the roof. The monitor sash are movable in 60-ft. panels to afford ventilation. Electric lighting is provided by two rows of lamps equipped with flood reflectors extending the length of each floor. There are also plugs at intervals along the platform on the upper



A Partial Plan of the Track Level

protected by tin clad fire doors. When designing the house it was thought that the need would arise eventually for trolley with which to handle heavy loads between the trucking floor and street vehicles. A runway was therefore installed

level for use where it is desired to run extension cords into the cars. As a protection from water the floors are crowned and the area immediately in front of each door is sloped sharply to the outside.

#### Office Portion Is Three Stories High

The office portion of the building faces Third street. At present there are three floors, each 40 ft. by 67 ft., and a basement, although provision is made for a future fourth



The Elevated Approach to the Freight House

for this purpose. A unique feature of the house arrangement is the foreman's office, which is situated on a mezzanine floor centrally located. This office is electrically heated and gives the foreman a reasonably clear view of the floor. Fire protection is provided by a fire wall equipped with tin clad fire doors and by hydrants and hose at each elevator.

The floors of the upper and the lower levels are concrete, paved with Kreolite wood blocks to reduce the noise of trucking to a minimum and to make them easy underfoot. Steel sash above each door supplement the open door spaces in daylighting the lower level of the house while the upper level is unusually well lighted by a continuous row of steel sash 10 ft. high in each side of the building and by steel



Approaching the Freight Station from the Rear

floor. An attractive entrance opens into a large lobby paved with terrazzo, from which access is had to the upper floors and basement by steel stairs surfaced with ferrelum. Steel stairs are also provided at the rear of the office portion with which to communicate with the trucking floors and all openings on this side of the building are fitted with steel fire

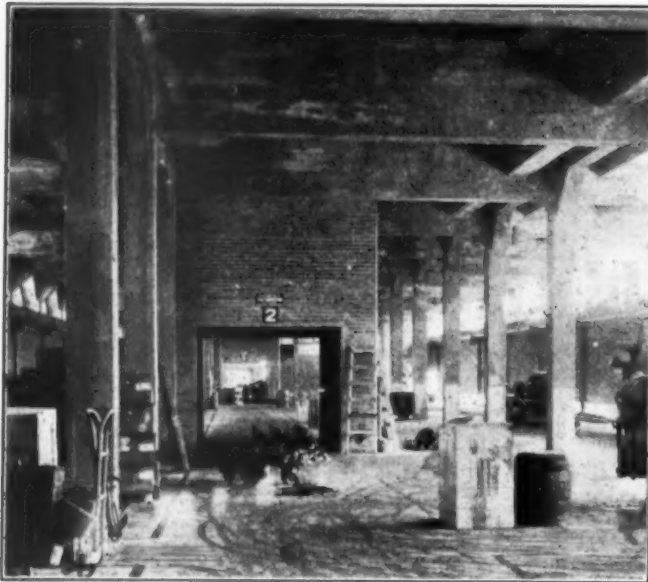
doors. In the office portion of the building the window sash are frame, fitted with weather strips. The lighting is indirect. The rooms are commodious and with tinted walls and Kalamian-surfaced floors, are serviceable as well as attractive. The furniture is quartersawed oak. A wash room is provided on each floor, also a drinking fountain, similar to those installed at each elevator shaft in the freight house.

In the basement are the heating plant, pumps, electric transformers and switchboards and a wash room, each being partitioned off with hollow tile. The heating plant consists of two Ideal S-8 boilers, auxiliary to which is a Gillis & Geoghegan telescopic mechanical hoist for raising ashes to the street level. Three-inch electrically operated centrifugal pumps are installed in duplicate for fire service in addition to an automatic sump pump to keep the basement dry. The wash room facilities include steel lockers and two Bradley fountains.

### The Building Has a Concrete

#### Roof and Expansion Joints

Structurally, the building consists of steel posts and girders, faced with dark rough brick and lined with plain brick with terra cotta inlay and cornice work for architectural



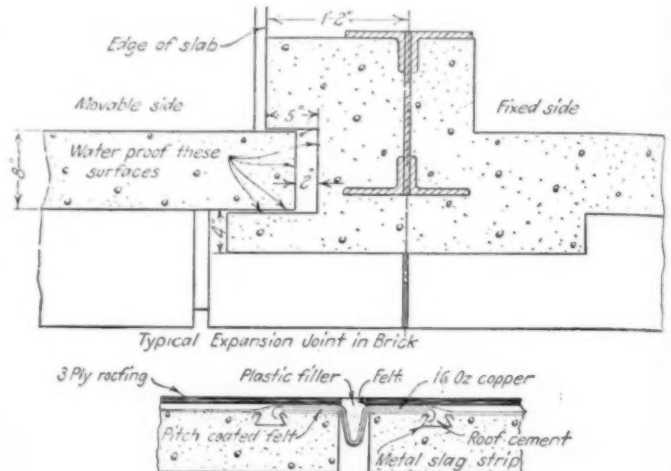
An Interior View on the Street Floor

effect. The roof is supported on steel trusses and consists of a solid slab of concrete. This slab is covered with 3-ply Johns-Manville roofing and is hidden from view by a 3½-ft. parapet wall. All roof flashing and down spouts are copper, the latter being carried down outside of the building but embedded out of sight in the pilasters.

Three expansion joints are provided in the building. These permit free longitudinal movement but are secure against leakage. A further feature of unusual character is the overhang of the upper level of the building on the Larned street side, which amounts to as much as eight feet and which, as shown on the plan, brings the outside rail of the tracks more than a foot beyond the wall of the lower floor. To improve the appearance of the building where the offset occurs, rounded brackets are provided at each post. The load is carried by the steel girders of the building which extend out from the wall of the lower floor.

The elevated approach to the building is a concrete slab carried on concrete-encased girders and posts, protected from weather by Minwax membrane waterproofing covered by a two inch armour coat, the surface being sloped towards drain-holes conveniently located. Prominent features of this approach are the parapet wall built along the West Jefferson

avenue side and the offset provided on the opposite side of the approach, the latter with a view to the extension of the elevated approach over the present team tracks if future conditions should warrant the enlargement of the terminal. Also, when crossing Sixth street, where the team track approach is carried on a temporary bridge, advantage was taken of columns of an old building, which it had been necessary to tear down, by utilizing these to form one of the abutments for



Detail of Expansion Joint in House

the street crossing. The tracks on the approach are laid in stone ballast except within the house itself, where they are carried on tie plated creosoted wood blocks partially embedded in the concrete. The Pennsylvania's standard concrete bumpers with Westinghouse friction draft gear attachments are installed at the ends of these tracks.

This house is being operated at present with the assistance of two Mercury trucks and 150 trailers and is being used for both in and outbound l. c. l. business. Outbound traffic is being received from the Union station side where a 40-ft.



The Track Level Floor Is Well Lighted

concrete driveway is provided along the house, reached from both Third and Sixth streets. Inbound freight is sorted and delivered on the Larned street side. Freight handlers remain on the floors to which they are assigned, except the tractor operators, who, when occasion demands, haul their loads to destination. On the upper level both sets of tracks are operated simultaneously for inbound and outbound business, the tracks being cleared twice a day and the practice adhered to of loading cars as fast as they are emptied.

The team tracks are six in number, arranged in pairs which are separated by 40-ft. concrete driveways, each consisting of



a nine-inch slab of plain concrete with a four-inch crown and with expansion joints every 30 ft. As previously described, these tracks are located between the new building and the Union station where they are easily entered from Third street. It is proposed that four of these tracks be raised to the second floor level where they would be reached by an incline approach from Second street, one block east, whenever future demands upon the terminal warrant the construction of the proposed separate inbound freight house and warehousing unit adjacent to the Union station. The existing tracks afford capacity for 102 cars.

#### 25-Ton Gantry Crane for Team Tracks

In addition to these tracks the Pennsylvania has provided team tracks of equal capacity on a 10-acre tract acquired at West Fort and Summit streets, about two miles west of the new terminal and adjacent to the tracks over which the Pennsylvania reaches the new terminal. This development, which is known as Summit street yard, is adapted to expansion to a total of 250 cars and includes an electrically-operated traveling gantry crane installed over two of the team tracks. This crane is of 25 tons capacity and has also a five ton hook for lighter loads. This crane recently made lifts at the rate of 180 in 130 min., when loading five large trucks with large water pipe.

The new freight house was put in operation on October 15, 1923, six months after the company handled its first car load of freight in that city and was the culmination of the work which the Pennsylvania planned for the present in Detroit as outlined earlier in this article. The terminal work, including the building of the freight house, has been handled by the Pennsylvania-Detroit Railroad Company, a Michigan corporation, with B. V. Sommerville, chief engineer, in charge. Plans for the freight house were made in the office of Robert Trimble, assistant chief engineer of the Pennsylvania at Pittsburgh. The American Bridge Company furnished and erected the steel and the W. E. Woods Company, Detroit, the remainder of the building.

## Dr. Hadley on the Railroad Problem\*

THE QUESTION of government ownership, though it has received a setback, is not by any means downed. There is a considerable party in Congress and out of it whose jealousy of the power of capital and misunderstanding of the facts of the railroad situation is such that they are ready to reduce freight or passenger rates with the avowed purpose of reducing the price of railroad stocks in the hope of buying them at a value thus depressed and getting the roads for much less than their reproduction cost. It was hoped that the physical valuation of the railroads would prevent the adoption of any such policy, but it requires a more general spread of enlightenment among the people to ensure this result.

The railroads had a sufficiency of difficulties prior to 1914. Into the chaos then existing came the European War. After giving the roads a momentary help in 1916 by increasing traffic, war conditions subjected them to a terrible strain in 1917 when they had more things than usual to do and fewer men to do them with. The first acts of the Government in 1917 were precisely the wrong ones. It stopped deliveries of locomotives in order to make military supplies. Not until this policy had been pursued for several months did the government perceive the fundamental dependence of modern production upon modern transportation. Then came the

coal famine, and the government did the only thing that it could; it took the management of the roads into its own hands; and for a time Mr. McAdoo and those about him thought that he could prove the possibility of solving the railroad problem by taking the decisive powers of the management out of the hands of the owners. \* \* \* The verdict was against him. During nearly two years which elapsed after the close of the war no attempt was made to balance the railroad budget. Of the three ways of doing this—to increase rates, to reduce wages, or to get the same amount of work done by the smaller number of men—the government lacked the courage to choose any. The result was an appalling deficit.

In some way or other, whether by teaching or by experience, people must learn that adequate railroad capital efficiently and economically managed is a necessity for the business of the country; that a government, whether it owns a business enterprise itself or tries to regulate that of somebody else, finds it hard to get the necessary efficiency, and that this is particularly true of a popular government like ours; that the increase of cost to the shipper from not having improvements made promptly and progressively adds more to freight rates than the reduction of dividends is ever likely to take off from them; and that capital and the men to manage capital properly will not be attracted into railroad business unless you give the same chance of profit and the same kind of respect and independence to railroads that you accord to other lines of industry.

Dangers and pitfalls beset the present theory of fixing railroad rates; rates based not upon cost of handling, but on ability to pay, with a higher rate per ton charged for goods of high value, and a lower rate for goods of low value constitute a tax. A railroad in laying such a tax has an advantage over a government; it can experiment as to the ability of the shipment to pay the tax. It can distinguish rates which traffic will bear, rates which encourage shipment and enable the road to get a large business at a small profit, from rates which the traffic will not bear, which will kill business. But, while this is an excellent system in theory, it is sometimes a dangerous one in practice both for the railroads and for the community. The power to tax is the power to destroy. The traffic manager may make the local customer pay the heavy rate and give all sorts of concessions to secure business at a competitive point and he may make the railroad's earnings larger for the moment; but the policy in the long run kills the road's best customers and prevents the harmonious development of country and city, which is a national necessity.

The essential feature of the railway is its tracks rather than its traction, and the utility of these has been increased rather than lessened by modern developments. Electric power has been as useful to the railroads as it has been to highway travel. The recent experience of our trolley lines indicates that the railroad has more to gain from the traffic brought to it by urban trolleys than it has to fear from inter-urban ones.

The competition of the automobile both in passenger business and in high class freight has been a more serious thing, and has cut into the receipts of a great many railroads; but the part of the traffic thus lost has not been the most important one to the railroad or the one which it can handle most economically. There are three obstacles which are preventing automobiles from taking the bulk of our traffic away from the railroads,—the comparative scarcity of gasoline, which would make its cost prohibitive if we attempted to use it as a means of carrying railroad freight; the congestion of the highways, which are already about as crowded as they can comfortably be; and the imminence of additional taxes, which would have to be imposed on automobile owners if a new highway system were to be built for their service as freight carriers.

\*Abstract of an address by Dr. Arthur T. Hadley, president emeritus of Yale University, before the Carnegie Institute of Technology, Pittsburgh, Pa., March, 1924.

## Mine Rating Rules Based on Ability to Sell Coal Proposed

WASHINGTON, D. C.

THE INTERSTATE COMMERCE COMMISSION has requested the railroads and other parties to its general investigation of mine ratings and coal car distribution to give consideration to a proposed code of mine rating rules embodying the principle recommended by the United States Coal Commission that the commercial ability to sell coal the year round should be the controlling influence in the distribution of railroad cars in months of transportation shortage. The parties are invited to develop this phase of the case upon the record. The notice, after referring to the extensive hearings held in connection with this investigation during the summer and fall of 1922, says:

"The rules in force at that time were complicated, difficult of enforcement, and permitted of gross inflation in the mine ratings. It was recognized that any step looking to a simplification thereof would obviously be in the interest of all concerned. It was generally agreed that the ratings were far in excess of the normal ability or duty of the carriers with respect to the honoring of requisitions for cars. At the inception of the proceedings the carriers were admonished to undertake to arrive at a basis for mine ratings that would get the ratings more in line with both the duty and the ability of the carriers and the needs of the country.

"The carriers presented a code of rules which, with certain exceptions, had been agreed to by the National Coal Association. Numerous other codes were submitted, to all of which there was more or less opposition. At the close of the hearing it was felt that if possibly further conferences were had between the carriers and the operators, with the proposed codes of rules before them, and in the light of the criticisms which had been directed toward them, a way of composing their differences and arriving at a plan which the commission could approve might be arrived at. A continuance of the hearing was granted for a reasonable time with the expectation of accomplishing this purpose. Conferences were accordingly had between the committee representing the carriers and the operators, as a result of which an agreement was reached whereby the carriers would undertake to rate the mines through a mine rating or inspection bureau, the members of which should be exclusively in the employ of the railway company. The principal factors used in determining the mine ratings were agreed to including:

First, physical condition; second, past performance; third, labor supply; and fourth, other factors that may affect the production and shipment of coal. The most restrictive factor was to control in the rating of each mine.

"The commission informally approved a fair trial of the code proposed as a result of the agreement reached after the conferences. The carriers accordingly promulgated new mine rating and car distribution rules, effective as of March 1, 1923, which have been maintained since that time.

"To encourage the off season delivery and storage of bituminous coal, the United States Coal Commission in its report dated September 20, 1923, recommended that this commission allow the commercial ability to sell coal the year round to be the controlling influence in the distribution of railroad cars in months of transportation shortage. The principle suggested is not the controlling element in the distribution rules now in effect. A proposed code of mine rating rules embodying the principle recommended by the coal commission has been suggested to the commission. A copy is attached. It is felt that ample time has elapsed to determine whether the rules adopted by the carriers and agreed to by the operators, and which became effective March 1, 1923, have proven efficacious, and whether those rules or some modifications thereof should be adopted as

permanent rules. The record in the proceeding before the commission should be completed by showing just what the carriers present practices are, and how the rules now in force are working. Other pertinent matters may be adduced."

The proposed code is as follows:

1. Whenever the supply of coal cars is inadequate to fill all orders of all mines within the limit of their physical capacity, distribution of such cars to mines shall be made upon the basis of mine ratings determined as hereinafter set forth.
2. Mine ratings used as the basis of coal car distribution shall be fixed as a combination of two factors—physical capacity and commercial capacity—giving equal weight to each.
3. Physical capacity of mines shall be determined in accord with present methods, and expressed in terms of the number of equivalent 50-ton cars per working day. For the purpose of combining physical capacity and commercial capacity to fix mine ratings, the physical capacity shall be deemed to represent 100 per cent in terms of percentage, and that figure used in the manner set forth below.
4. Commercial capacity shall be arrived at by:
  - (a) Determine the actual number of equivalent 50-ton cars loaded and shipped per calendar day, not including Sundays, during the last period of not less than two months during which the number of available cars was in excess of the number ordered by all mines within the limit of their physical capacity. If the last such period of car surplus exceeds six calendar months, only the last six months of the period shall be used in determining the average. Full consecutive days in excess of one full day lost by a mine by reason of accident, strikes or railroad failure during the period used, shall be deducted in arriving at the average, when the mine, throughout the calendar month in which the failure occurred loaded and shipped its full physical capacity rating on every working day that cars were furnished and the mine was not prevented from loading by accident or strike, but if a mine failed to load and ship on all days when it was not prevented by reasons enumerated, the number of days on which it failed shall be subtracted from the number of full consecutive days in excess of one full day lost by reasons enumerated, and allowance made for the remainder only.
  - (b) The commercial capacity in average cars per working day determined as prescribed in sub-paragraph (a), shall be compared with the average physical capacity, in cars, for the same number of days and period of time, to determine percentage ratio of commercial capacity to physical capacity during the surplus period used.
5. To 100 per cent, representing factor of physical capacity, add the percentage arrived at under paragraph (4), representing commercial capacity, and divide the result by two (2).
6. To the current physical capacity, expressed in cars, apply the final percentage arrived at under paragraph 5, and the result will be the current mine rating in equivalent 50-ton cars.
7. Mines should be permitted to order cars up to the limit of their physical capacity. The distribution, however, should be made among mines in proportion to their mine rating, as arrived at under paragraph 6, or their order if less than mine rating under paragraph 6. If during any monthly period of distribution any mine or mines shall be unable to load its or their proportion of the available cars, the average shall be distributable among the remaining mines in proportion to their mine rating, or order if less than rating.
8. In the absence of special provision the commercial capacity of a mine not in operation during the last period of car surplus would, in terms of percentage, be expressed as 0 per cent. Adding this percentage factor to 100 per cent, representing physical capacity, and dividing by two (2), would give a resulting percentage factor of 50 per cent to be applied to current physical capacity for determining the mine rating. In other words, the minimum mine rating for any mine would be 50 per cent of the current physical capacity.
9. Examples follow:
 

Mine (a) during last period of car surplus had average physical capacity of 20 cars per day. During same period mine loaded average of 14 cars per day. Commercial rating factor, in terms of percentage equals 70 per cent. Adding 70 per cent to 100 per cent, representing current physical capacity, gives total of 170 per cent, which divided by two gives combined factor of 85 per cent. Current physical capacity of mine is 20 cars per day, and 85 per cent of this figure is 17 cars per day, which is current mine rating.

Mine (b) was not in operation during last period of car surplus. Commercial rating factor, in terms of percentage, equals 0 per cent. Adding 0 per cent to 100 per cent, representing current physical capacity, gives total of 100 per cent, which divided by two gives combined factor of 50 per cent. Current physical capacity of mine is 10 cars per day, and 50 per cent of this figure is 5 cars per day, which is current mine rating.



# Group Life Insurance on Twenty-seven Railroads

## List of Roads on Which Such Insurance Is in Force; with Notes on Differences in Details

GROUP LIFE INSURANCE is now in force on at least 27 railroads of the United States (not counting subsidiary companies) and for the benefit of over 200,000 employees. The aggregate face value of the policies representing this insurance is upward of 260 million dollars; a remarkable development which was begun only a few years ago and the greater part of which has been put in effect within the last 18 months. Supplementing the several articles which have been printed in the *Railway Age*,\* marking various steps in the progress of this combined economic and social development there is presented herewith a couple of tables intended to serve as a convenient index to the names of the railroads whose employees now enjoy the benefits of these remarkable discounts on life insurance rates, together with such other information as was found available and was of a character suitable for presentation in this way.

The number of officers and employees insured, as given in the fourth column of our second table, totals 208,372; but as certain items are based on estimates we have in the foregoing paragraph used a smaller number. The aggregate amount of insurance, as shown in the fourth column of Table 1, is \$263,301,500; but in this item also we refrain from naming an exact total, except tentatively; for as to some roads this information is lacking.

The full names of the insurance companies named in the tables are: Aetna Life Insurance Company (Hartford, Conn.); Equitable Life Assurance Society (New York City); Metropolitan Life Insurance Company (New York); Travelers' Insurance Company (Hartford, Conn.) and Vermont Accident Insurance Company.

The reader will find a considerable variety of plans; simple life insurance, life insurance modified to provide also for total disablement, and life insurance and accident insurance combined. There are varied provisions concerning amounts of insurance, conditions of admission to the benefits, and degree of participation by the employer. In all cases, however, the rates are very low—which is made possible by the saving in soliciting agents' compensation, always a heavy expense in the life insurance business when it is conducted in the ordinary way. In nearly all cases of group insurance the employer bears enough of the cost to make his payments a definite and considerable gift to each individual employee. The natural tendency of the employee's mind to put a low value on any benefit received from the employer is in the case of group insurance very definitely challenged. The arrangement is so simple that all grounds for prejudice or temptations to make unfair or shortsighted comparisons are swept away, and attention is directed to the one main point, namely, that the employer is: First, giving the employee a definite money benefit in putting him into a group and, second, in paying a part of the insurance premium is presenting him with a specific sum of money outright.

Most of these group insurance contracts have been made under the provisions of the law of New York State; and the regulations of other states have been in large measure modeled after the New York statutes and the rules prescribed by the Insurance department of New York.

Of the articles referred to in the footnote giving references to the *Railway Age* during the past two years, the most comprehensive are those of January 14, 1922, and November 3, 1923, telling of the movement on two prominent roads, and that of May 6, 1922, by W. F. Chamberlin, giving some information, about individual roads, which is not shown in our tables; and also discussing the general principles of group insurance.

Another review of general conditions, prepared recently by the United States Chamber of Commerce, is appended to this article.

As will be seen from this review, group insurance has had a vogue in manufacturing industries for a number of years;

TABLE 1—AMERICAN RAILROADS WHICH FURNISH GROUP LIFE INSURANCE

1	2	3	4
Railroad	Underwriter	Date begun	Aggregate amount life insurance in force
1 Boston & Maine.....	Metropolitan	Nov. 1, 1923...	\$4,300,000
2 Central of Georgia.....	Metropolitan	Apr. 18, 1923...	10,913,750
3 Central Vermont.....	Vt. Accid't Ins. Co.	Oct. 1, 1922.....	487,000
4 Central Vermont.....	Metropolitan	May 9, 1923....	.....
5 Cincinnati, Ind. & W.....	Metropolitan	.....	.....
6 Delaware & Hudson.....	Metropolitan	Jan. 1922.....	.....
7 Delaware, Lack. & W.....	Aetna Life	Feb. 1, 1922....	23,630,000
8 Erie and controlled lines.....	Travelers	May 10, 1921...	1,823,500
8a Erie and controlled lines.....	Aetna Life	.....	613,000
9 Fordyce & Princeton.....	Metropolitan	.....	.....
10 Great Northern.....	Metropolitan	Apr. 1, 1923...	6,865,500
11 Intern'l-Great North'n.....	Metropolitan	.....1924.....	1,300,000
12 Kansas City Southern.....	Metropolitan	June 8, 1923...	4,386,000
13 La Salle & Bureau County.....	Equitable	.....	21,000
14 Lehigh & Hudson River.....	Metropolitan	Apr. 17, 1922...	.....
15 Lehigh & New England.....	Aetna Life	Jan. 16, 1923...	1,000,000
16 Lehigh & New England.....	Aetna Life	Feb. 1, 1924....	.....
17 Lehigh Valley.....	Travelers	Apr. 1, 1922...	15,460,500
18 Miami Mineral Belt.....	.....	.....	.....
19 Oklahoma Union.....	Equitable	June 15, 1920...	190,000
20 Mississippi Central.....	Metropolitan	May 14, 1923...	621,000
21 Miss. River & Bonne Terre.....	Metropolitan	Oct. 1, 1919...	637,875
22 Missouri-Illinois.....	Metropolitan	Nov. 1, 1923...	218,625
23 N. Y., New H. & H.....	Travelers	Sept. 10, 1922...	4,520,500
24 Central New Eng.....	.....	.....	.....
25 N. Y., New H. & H.....	Aetna Life	Mar. 1, 1923...	4,970,000
26 C. N. E.....	.....	.....	.....
27 N. Y., Ontario & W.....	Metropolitan	.....	.....
28 Oregon Short Line.....	.....	.....	.....
29 Ore.-Wash. R. R. & N.....	Included in Union Pacific	.....	.....
30 Pere Marquette.....	Equitable	.....1923.....	5,000,000
31 Pittsburgh & W. Va.....	Metropolitan	.....1923.....	.....
32 Southern Pacific.....	Metropolitan	Jan. 1, 1924....	116,343,250
33 St. Louis-S. F.....	Metropolitan	.....	.....
34 Union Pacific.....	Equitable	Jan. 1, 1917...	*60,000,000
35 Yosemite Valley.....	Equitable	Jan. 1, 1924...	.....

\*Estimated.

and one of the insurance companies which appears in our list has issued policies to 23 street and interurban electric railways, for over 20,000 employees; also to five steamship companies covering about 7,000 employees. The Brooklyn-Manhattan Transit Company, Brooklyn, N. Y., has had this insurance in force since 1915 when a contract was made with the Travelers covering about 7,000 employees.†

### Notes on Items in Table 1

<sup>10</sup>Great Northern.—This company in making these contracts is subject to the laws of Wisconsin, Minnesota, Iowa,

†The Metropolitan Life Insurance Company, New York City, reports the aggregate amount of its group insurance outstanding on December 31, 1923, as \$617,467,114; and all of the policies have been written within seven years.

### \*REFERENCES TO ARTICLES IN RAILWAY AGE

1922	January 14.	Del. & Hudson plan in detail.....	page 182
	April 8.	Lehigh Valley.....	883
	May 6.	Philosophic Review by W. F. Chamberlin.....	1061
	September 16.	N. Y., N. H. & H. plan.....	501
1923	January 20.	Lehigh & New England.....	224
	February 10.	N. Y., N. H. & H.....	391
	March 10.	Great Northern.....	581
	April 28.	Review of first year on D. & H.....	1051
	May 5.	Central of Georgia.....	1124
	May 19.	Kansas City Southern.....	1232
	July 21.	St. Louis-San Francisco.....	130
	November 3.	Southern Pacific plan in detail.....	827
	December 1.	Pere Marquette.....	1027
1924	February 23.	Pere Marquette.....	467

South Dakota, North Dakota, Montana, Idaho and Washington.

<sup>11</sup>*I. & G. N.*—Employees who earn \$150 a month or less are limited to \$1,000 life insurance, \$1,000 accident and dismemberment insurance and \$10 weekly benefit (for 13 weeks) in the event of disability. For employees earning more than \$150 per month, the insurance limit is doubled and the limit on the weekly benefit is \$15.

<sup>18</sup>*Miami Mineral Belt.*—This company's statement includes the Oklahoma Union and other allied interests. The minimum amount of insurance per capita is \$500; and certain employees who serve two companies have insurance under both employments, making the maximum for any one employee \$3,000 except in the general office. The amount of insurance is limited according to the number of years that the employee has been in the service. The total cost is borne by the employer; for \$1,000 it is from \$12 to \$15.

<sup>27</sup>*Pere Marquette.*—Amount of insurance limited according to length of service. About 2,000 employees, in service for from one to three years, have \$1,000 insurance and pay half the premium; 400, in service three to five years, pay one-half on \$1,500; and 1,200, in service five years or over, pay half on \$2,000. In all cases, the employer pays half and the insured pays half. Insurance of officers and subordinate officers was begun on July 1, 1923; employees in mechanical

department December 1, 1923; clerical, station service and stores department February 1, 1924.

<sup>31</sup>*Union Pacific.*—The statement includes Oregon Short Line and other subsidiary companies. All officers and employees are eligible except those whose annual compensation is \$4,000 or over. The death benefit is a year's salary, subject to a maximum of \$2,500. In case of permanent disability before the age of 70, the full amount of the benefit may be paid in five equal annual installments.

<sup>32</sup>*Yosemite Valley.*—Employees in the service one year are given insurance of \$500; three years or more, \$1,000; six years or more, \$2,000.

#### Notes on Items in Table 2

<sup>1</sup>*Boston & Maine.*—The employees pay the "major portion" of the expense.

<sup>2</sup>*Central of Georgia.*—Individuals in the supervisory forces may take \$5,000 insurance, paying the whole cost above \$3,000.

<sup>7</sup>*D., L. & W.*—The classes eligible are train dispatchers, yardmasters, supervisory forces in all departments; clerical employees in all departments; employees in the maintenance of car equipment department; police department; marine department, etc.

<sup>10</sup>*Great Northern.*—Classes eligible: shop crafts, store-

TABLE 2—GROUP LIFE INSURANCE FOR EMPLOYEES OF AMERICAN RAILROADS

Road	Kind of insurance	Classes of employees eligible	No. of employees insured	Number of employees paying; amount of life insurance paid for by each	Annual cost	
					To employer	To employee
1 B. & M. <sup>1</sup>	Life, sickness and non-occupational accident.	All in mechanical depar.	4,300	4,300—\$1,000		
2 C. Ga. <sup>2</sup>	Life	All after 3 yrs. service	5,640	5,640	\$4.20 per \$1,000 up to \$3,000.	\$7.20 per \$1,000 up to \$3,000
3 C. Vt.	Life, accident, health.	Skilled employees after 3 mos. service	320	531—\$ 500	\$6.24 per \$1,000.	\$5.76 per \$1,000
4 C. Vt.	Life, accident, health.	All mechanical dept.	531	442—1,000	Gross \$3,320.	
5 C. I. & W.	Life	All mechanical dept.	571			
6 Del. & H.	Life, health, accident.	All	*9,000	6,665		\$7.20 per \$1,000
7 D. L. & W. <sup>7</sup>	Life and total perm. disability.	Note 7.	12,335	12,335	\$3 per \$1,000 approx.	\$6 per \$1,000 approx.
8 Erie	Life	Clerical in N. Y.	1,525	1,326—\$1,000		Gross \$19,300
8a Erie	Life	Shopmen	350	199—2,500		
9 Ford. & P.	Life	Shopmen	50			
10 Gt. Nor.	Life and perm. total disability	Shopmen; supervisory...	6,009	5,409—\$1,000		
11 I.-G.-N.	Life and accident...	Mech. department, station agents, M. W. dept...	1,000	600—2,500		
12 K. C. S. <sup>12</sup>	Life and disablement.	All	3,400			
13 L. S. & B. C.	Life	All	12	3—\$1,000	Gross \$360	Nothing
				3—1,500		
				6—2,000		
14 L. & H. R.	Life	All	640	635		
15 L. & N. E.	Life and perm. dis...	Clerical, mech. and stores	572	391—\$1,000 to \$1,800	\$6 per \$1,000	\$7.20 per \$1,000
16 L. & N. E.	Life and perm. dis...			96—2,000 to 2,875		
				85—3,000 to 5,000		
17 L. Val.	Life and accident...	All	12,218	182—\$ 500	See note 17.	\$9.60 to \$12 per \$1,000
				7,860—1,000		
				1,642—1,500		
				2,534—2,000		
18 M. M. B.	Life	All	68			Nothing
19 Miss. Cent.	Life, accident and health.	All	342	107—\$1,000	For white employees \$4.56 per \$1,000; for colored employees \$2.04 per \$1,000.	White \$15 Colored \$12
				214—2,000		
				21—over \$3,000		
20 M. R. & B. T. <sup>20</sup>	Life	All	271	242—\$1,000	\$15.72 for free insurance; \$2.72 for contributing insurance.	\$13 per \$1,000
21 Mo.-Ill.	Life	All	256	None	\$11.21	Nothing
22 N. Y., N. H. & H.	Life and accident...	See note 22.	2,678	728—\$1,000		
				813—1,500		
				731—2,000		
				220—2,500		
				186—3,000		
23 N. Y., N. H. & H.	Life, accident and health.	See note 23.	5,391	1,235—\$ 500		
				4,156—1,000		
24 N. Y., O. & W.	Life		117			
27 Pere M.	Life and perm. disability.	Clerical, stations, stores, shops	3,600	2,000—\$ 500	Gross \$36,000.	\$7.20 per \$1,000
				400—750		
				1,200—1,000		
28 Pitts. & W. Va.	Life		435			
29 So. Pac. <sup>29</sup>	Life and perm. disability.	All in service 6 mo.	71,170	See note		
30 St. L.-S. F.	Life		5,506		Employer pays 40 per cent on first \$1,000	
31 U. Pac.	Life and perm. disability.	All except officers receiving over \$3,000 yearly.	*60,000			
32 Y. V.	Life	All	65		Gross \$1,200.	Nothing

\* Estimated.



keepers, linemen, supervisory forces in operating and mechanical departments and their confidential employees.

<sup>12</sup>*Kansas City Southern.* The plan is similar to that of the D. & H. which has been described in the *Railway Age*; but the sick benefits are limited to 13 weeks instead of 26 weeks. The insurance covers life, including total and permanent disability; accidental death and dismemberment, and health and accident, excluding occupational accidents. All employees who have been in service continuously for six months are eligible. They are divided into three classes: those earning less than \$2,000 yearly; those from \$2,000 to \$3,000, and those earning more than \$3,000.

<sup>13</sup>*Lehigh Valley.*—The sums paid by employees are approximately 73 per cent of the total cost, leaving 27 per cent paid by the employer.

<sup>14</sup>*M. R. & B. T.*—Insurance provided free by employer after six months' service, \$500; after one year \$750; after two years \$1,000; thereafter, the sum is increased \$125 yearly up to \$2,000. Additional insurance in the sum of \$1,000 (the employee to contribute) is optional with the employer. Under this contributory plan, 242 employees contribute \$13 per \$1,000 yearly; employer pays the balance, \$2.72.

<sup>15</sup>*N. Y., N. H. & H.*—This contract is for the supervisory forces in the transportation department and in the departments of maintenance of way and maintenance of equipment.

<sup>16</sup>*N. Y., N. H. & H.*—This contract is for the benefit of mechanics, helpers and apprentices in the mechanical and electrical departments, mechanics and helpers in bridge and building departments, and patrolmen in police department.

<sup>17</sup>*Southern Pacific.* Of the total number of employees insured (71,170) all of whom receive free insurance, about 17 per cent have been in service less than one year. Of the remainder, about 93 per cent have taken advantage of the opportunity to purchase additional insurance. The totals are:

Number from six months to one year in service receiving \$250 free insurance.....	12,214
Number one year or more in service receiving \$500 free insurance .....	58,956
Number contributing toward additional life insurance	55,608
The total amount of insurance paid for solely by the employer is \$32,531,500; total paid for by the employer and employees jointly, \$83,811,750.	

#### Group Life Insurance—Review by

##### U. S. Chamber of Commerce

Group life insurance, as utilized by railroad companies for the benefit of their employees has been made known to the readers of the *Railway Age* from time to time, in connection with the action of a few prominent roads, the latest being the account of the action of the Southern Pacific, for the benefit of nearly 90,000 employees, in the issue of November 3, 1923, page 827. For an instructive view of the benefits of this arrangement, however, as developed by experience, it is necessary to go outside of the railroad field, for in the industrial world there were a number of group life insurance contracts as far back as 1910; and the insurance department of the Chamber of Commerce of the United States has issued a bulletin, dated January 23, 1924, giving a review of the facts as gathered from all parts of the country. Following is an abstract of that bulletin:

At the end of 1922, it was estimated that there were about 2,000,000 workmen insured for about \$1,800,000,000. All types of commercial and industrial enterprises are represented in this total.

The most usual form of policy includes not only life insurance but a provision for the payment of a specified indemnity in case of total disability while the individual is under 60 years of age. The blanket policy, being of the renewable

term type, has no cash surrender or paid up value in the event of lapse. The primary motive with most employers has been to secure a means of keeping employees informed of the fact that there is a heart in industry; for the development of large factories has reduced the opportunity for personal contacts between officers and employees. It is estimated that 30 per cent of the workers in industry have no life insurance; and that 30 per cent more have not more than \$500 insurance. "Passing the hat," when an employee dies and leaves a widow insufficiently protected, is a thing still observable in industry, an evidence that life insurance is needed. By getting insurance for employees without medical examination, the employer is doing a thing which the employee cannot do for himself. It is estimated that one-fifth of all employees of large institutions would be unable to get insurance of any form except at excessive premiums.

The insurance certificate is an important instrumentality in making the employee's wife and family acquainted with working conditions thus tending to contentment.

In manufacturing and mercantile establishments, the custom of increasing the amount of insurance according to the length of the employee's service has been very generally adopted; each time the money limit is advanced to a larger sum, the employer is giving the employee a tangible expression of his appreciation. Some manufacturers have bought group insurance as a means of stabilizing their forces when labor turnover was excessive; but this investigation finds varied expressions of the degree of satisfaction found in this move. Some claim that there has been no improvement in the turnover. The insurance companies claim, however, that the small number of lapses on these policies, and the rapid growth of the service, should afford evidence of the stabilizing influence of the insurance.

The majority of these group contracts thus far have been made on the non-contributory basis; the employees pay nothing at all. Some employers have said that the total cost of the group insurance was so small that it was too much trouble to get the agreement of 75 per cent of the employees to contribute.

Some employers have found that after a year or two there seems to be a lack of interest in the insurance; new employees having come into the establishment knowing nothing about it; but the rule to require the employees themselves to contribute a portion of the expense tends to correct this defect. Having the employees contribute a portion also minimizes the objection that otherwise the expenditure of the employer would be a form of paternalism.

Every establishment should have key men whose duty would be to see that all new employees understand the plan and also to keep track of any possible dissatisfaction among the old ones. Employees are educated by letter, by posters, by periodical addresses, slips to be given out with pay envelopes, etc. A death claim check, which in the course of time must become necessary, is one of the best exhibits for education of employees; and employers have had such checks photographed and displayed on bulletin boards. The importance of keeping employees well informed and of the fact that they cannot appreciate that which they do not understand, is emphasized repeatedly in this bulletin.

The insurance men estimate the annual premiums in ordinary groups of employees as amounting to one per cent of the total amount of insurance in force. Where there are elderly employees, the rates may be higher. In most industrial establishments, the tendency of the persons in the group gradually to be changing makes the mortality experience favorable, from the standpoint of the insurance company.

THE NATIONAL TRANSPORTATION INSTITUTE has discontinued temporarily the publication of its weekly paper, "Transportation."

## Freight Commodity Statistics

WASHINGTON, D. C.

THE INTERSTATE COMMERCE COMMISSION has issued a statement showing by districts the freight tonnage transported by Class I steam railways for the year ended December 31, 1923. The figures in this statement will not agree exactly with the corresponding totals of the four quarters already published, on account of adjustments made in the reports after the quarterly figures had been published. Below will be found a comparison, by general classes of commodities, of the total tonnage transported in 1923 with that transported in 1922 and 1921:

Classes of commodities	Number of tons originated		
	Year ended Dec. 31, 1923	Year ended Dec. 31, 1922	Year ended Dec. 31, 1921
Products of agriculture.....	109,188,071	111,787,032	114,068,706
Animals and products.....	28,237,497	26,230,230	24,263,008
Products of mines.....	713,381,779	532,997,597	511,270,449
Products of forests.....	115,220,052	89,059,248	76,419,241
Manufactures and miscellaneous.	266,975,650	220,441,687	172,169,145
All L.C.L. freight.....	44,313,682	43,229,213	41,992,011
<b>Total.....</b>	<b>1,277,318,731</b>	<b>1,023,745,007</b>	<b>940,182,560</b>

Classes of commodities	Total tons carried		
	Year ended Dec. 31, 1923	Year ended Dec. 31, 1922	Year ended Dec. 31, 1921
Products of agriculture.....	220,518,087	220,660,207	222,678,348
Animals and products.....	48,878,359	44,838,913	41,777,754
Products of mines.....	1,250,314,752	912,438,354	878,224,636
Products of forests.....	222,570,867	171,239,150	148,042,825
Manufactures and miscellaneous.	517,915,274	421,829,412	332,991,062
All L.C.L. freight.....	73,589,705	69,948,534	67,048,130
<b>Total.....</b>	<b>2,333,787,044</b>	<b>1,840,954,570</b>	<b>1,690,762,695</b>

The revenue freight originated and the total revenue freight carried in the United States in 1923 is shown by commodities as follows:

Commodity	UNITED STATES*			
	Revenue freight originating on respondent's road		Total revenue freight carried	
	Number of carloads	Number of tons (2,000 lb)	Number of carloads	Number of tons (2,000 lb)
<b>Products of Agriculture—</b>				
Wheat .....	572,394	23,095,399	916,154	36,802,756
Corn .....	400,723	15,174,321	709,545	26,357,927
Oats .....	267,324	8,296,102	549,254	16,848,236
Other grain .....	138,269	4,738,482	247,954	8,251,685
Flour and meal .....	419,113	10,481,744	976,107	24,772,004
Other mill products.....	456,035	9,988,180	1,001,943	22,269,390
Hay, straw and alfalfa....	483,675	5,965,625	876,126	10,877,218
Tobacco .....	101,232	1,097,284	165,781	1,858,552
Cotton .....	254,649	2,874,846	566,662	7,084,173
Cotton seed and products, except oil.....	157,615	3,553,062	249,798	5,673,006
Citrus fruits .....	101,785	1,530,953	455,885	6,923,603
Other fresh fruits.....	373,620	5,244,463	1,199,666	16,950,113
Potatoes .....	262,773	4,696,605	693,179	12,630,646
Other fresh vegetables....	193,141	2,468,158	587,819	7,364,116
Dried fruits and vegetables.	46,132	1,134,339	118,031	2,937,171
Other products of agriculture	296,523	8,848,508	482,050	12,917,491
<b>Total.....</b>	<b>4,525,003</b>	<b>109,188,071</b>	<b>9,795,954</b>	<b>220,518,087</b>
<b>Animals and Products—</b>				
Horses and mules.....	53,563	603,189	86,099	998,293
Cattle and calves.....	815,362	9,403,092	1,159,213	13,318,368
Sheep and goats.....	119,124	1,159,056	193,112	1,919,959
Hogs .....	727,509	6,947,056	932,128	9,092,650
Fresh meats .....	235,349	3,022,366	550,070	6,919,808
Other packing-house products	147,032	2,395,329	323,911	3,350,470
Poultry .....	31,878	356,526	112,203	1,220,403
Eggs .....	52,756	594,671	136,439	1,561,736
Butter and cheese.....	45,145	571,034	115,173	1,478,929
Wool .....	23,460	289,998	60,285	754,370
Hides and leather.....	52,908	1,083,919	126,815	2,690,910
Other animals and products.	104,072	1,811,261	202,161	3,572,463
<b>Total.....</b>	<b>2,408,158</b>	<b>28,237,497</b>	<b>3,997,609</b>	<b>48,878,359</b>
<b>Products of Mines—</b>				
Anthracite coal .....	1,751,266	84,864,643	2,905,875	140,005,875
Bituminous coal .....	6,996,303	358,870,454	13,551,956	692,455,537
Coke .....	800,402	27,837,766	1,313,255	45,961,824
Iron ore .....	1,481,519	77,816,342	2,315,353	128,017,928
Other ores and concentrates.	205,396	10,452,563	406,227	20,257,315
Base bullion and matte....	17,906	812,503	55,335	2,475,857
Clay, gravel, sand and stone.	2,728,065	133,984,812	3,784,593	182,308,338
Crude petroleum .....	231,597	8,335,653	413,363	14,610,221
Asphaltum .....	61,891	2,099,866	151,603	5,156,810
Salt .....	127,283	3,382,787	323,989	8,644,141
Other products of mines...	114,711	4,926,390	250,709	10,420,906
<b>Total.....</b>	<b>14,516,339</b>	<b>713,383,779</b>	<b>25,472,258</b>	<b>1,250,314,752</b>
<b>Products of Forests—</b>				
Logs, posts, poles and cord wood .....	1,542,970	47,182,544	1,808,274	54,341,212
Ties .....	220,879	6,660,375	399,238	12,048,853
Pulp wood .....	176,466	5,367,114	340,918	9,886,449
Lumber, timber, box shooks, staves and bendings.....	1,986,951	53,181,012	5,326,118	140,902,119
Other products of forests..	135,128	2,829,007	255,761	5,392,234
<b>Total.....</b>	<b>4,062,394</b>	<b>115,220,052</b>	<b>8,130,309</b>	<b>222,570,867</b>

Manufactures and Miscellaneous—				
Refined petroleum and its products .....	1,306,390	36,401,305	2,728,440	76,213,050
Vegetable oils .....	35,504	967,016	90,440	2,479,693
Sugar, sirup, glucose and molasses .....	177,301	4,880,674	428,729	11,916,178
Boats and vessel supplies...	2,605	45,934	4,480	74,332
Iron, pig and bloom.....	309,145	14,948,481	519,866	24,684,399
Rails and fastenings.....	76,772	3,187,168	152,514	6,332,424
Bar and sheet iron, structural iron and iron pipe..	915,392	29,964,965	1,810,066	59,557,334
Other metals, pig, bar and sheet .....	145,745	5,294,261	319,606	11,254,841
Castings, mach'y and boilers.	290,800	5,893,318	623,981	12,537,127
Cement .....	552,987	21,108,633	1,102,513	42,060,934
Brick and artificial stone..	532,613	18,793,112	860,046	30,394,350
Lime and plaster.....	231,415	6,121,664	452,408	12,376,279
Sewer pipe and drain tile..	120,280	2,218,395	210,741	3,949,519
Agricultural implements and vehicles other than automobiles .....	177,438	2,596,205	346,949	5,162,310
Automobiles and autotrucks†	797,307	6,549,729	1,991,350	16,441,490
Household goods and second hand furniture.....	69,872	686,090	130,088	1,280,097
Furniture (new) .....	98,462	881,037	246,607	2,211,970
Beverages .....	36,620	681,680	68,464	1,288,201
Ice .....	198,052	5,116,349	218,286	5,713,263
Fertilizers (all kinds)....	328,051	7,641,306	472,114	11,186,956
Paper, printed matter and books .....	120,777	2,912,217	361,042	8,737,670
Chemicals and explosives...	289,815	8,755,846	582,920	17,415,692
Textiles .....	82,488	953,025	182,416	2,201,311
Canned goods (all canned food products) .....	150,061	3,439,880	337,252	7,927,667
Other manufactures and miscellaneous .....	3,220,785	76,937,360	6,333,051	144,518,187
<b>Total.....</b>	<b>10,266,677</b>	<b>266,975,650</b>	<b>20,574,369</b>	<b>517,915,274</b>
<b>Grand total, carload traffic .....</b>	<b>35,778,571</b>	<b>1,233,005,049</b>	<b>67,970,499</b>	<b>2,260,197,339</b>
<b>All L.C.L. freight.....</b>	<b>44,313,682</b>	<b>1,023,745,007</b>	<b>73,589,705</b>	<b>2,333,787,044</b>
<b>Grand total, carload and L.C.L. traffic..</b>	<b>1,277,318,731</b>	<b>1,023,745,007</b>	<b>73,589,705</b>	<b>2,333,787,044</b>

\*Average number of miles of road operated, 234,959.25.

†Includes automobiles, motor cars, autotricks and parts (except tires and chains); chassis, tonneaus and wheels.

Below will be found a comparison, by general classes of commodities, of the tonnage transported during the fourth quarter in 1923 with the corresponding period in 1922:

Classes of Commodities	Number of tons originated		
	Quarter ended Dec. 31, 1922	Quarter ended Dec. 31, 1923	Per cent of increase 1923 over 1922
Products of agriculture.....	37,914,729	36,442,169	3.88
Animals and products.....	7,728,548	7,901,944	2.24
Products of mines.....	171,355,343	174,617,308	1.90
Products of forests.....	24,476,431	26,891,646	9.87
Manufactures and miscellaneous	60,238,381	62,438,438	3.65
All L.C.L. freight.....	11,320,231	10,957,505	*3.20
<b>Total.....</b>	<b>313,033,663</b>	<b>319,249,010</b>	<b>1.99</b>

Classes of Commodities	Total tons carried		
	Quarter ended Dec. 31, 1922	Quarter ended Dec. 31, 1923	Per cent of increase 1923 over 1922
Products of agriculture.....	71,745,348	70,570,207	*1.64
Animals and products.....	13,147,521	13,530,922	2.92
Products of mines.....	294,132,201	304,137,986	3.40
Products of forests.....	48,088,260	51,808,812	7.74
Manufactures and miscellaneous	117,537,366	123,279,110	4.89
All L.C.L. freight.....	18,930,486	18,426,631	*2.66
<b>Total.....</b>	<b>563,581,182</b>	<b>581,753,668</b>	<b>3.22</b>

\*Decrease.



A Small Station on the South African Railways



# Railroad Traffic and the Business Cycle

## A Study of the Seasonal Variations—Transportation Efficiency Shown to Assist Business

By Homer B. Vanderblue

Professor of Business Economics, Harvard University. Economist, Harvard University Committee on Economic Research

### PART II. CARLOADINGS AS INDEXES OF BUSINESS CONDITIONS

IN PART I of this article the importance of revenue ton-miles as a measure of business conditions was explained and an adjusted index of the volume of railroad traffic based upon those figures was compared with the general business cycle as recorded by the business curve (B) of the

and then the record performance of 1923. From the beginning of last summer until the middle of November—except for the weeks which included holidays—total car loadings held consistently above the million mark each week. Figures of car loadings by principal descriptions of traffic are also available for the post-war period. The actual figures for these important groups are shown on Chart 7. This chart also shows the normal increase in the volume of railroad traffic during the summer and fall.

In the case of coal and coke, the normal seasonal movement is obscured by the strike in 1922 and by the necessity of making up the shortage of fuel reserves in the early months of 1923. The effects of speeding up coal production and shipments during the early months of 1922 are shown by the peak in March, when monthly coal and coke loadings were above 900,000 cars. Between March and August, fuel loadings were highest in June, when extraordinary effort was being made because of the threatened railroad strike. While the totals for the other commodity groups were moving up between April and July in the usual seasonal movement, coal and coke loadings moved in a deep trough. In 1919, 1920, and even in the depression year of 1921, however, the seasonal advance to a peak in October is plainly evident.

In October also occur the peaks in live-stock traffic and "merchandise, i.e., and miscellaneous" car loadings. In addition, while the peak of car loadings of grain and grain products comes in August, the October figures are normally above the monthly average for the year. So also are October

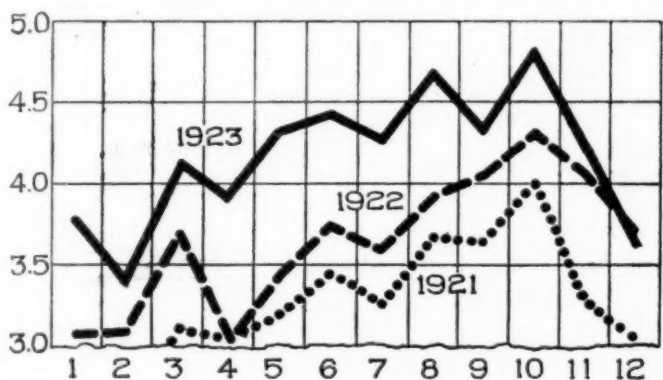


Chart 6. Total Freight Car Loadings, Monthly, 1921-23 (Unit: 1,000,000 cars)

Harvard Economic Service. It is the purpose of Part II to discuss the relationship of railroad car loadings to general business conditions.

On Chart 6 are shown total car loadings for each month during the past three years. This chart shows the seasonal

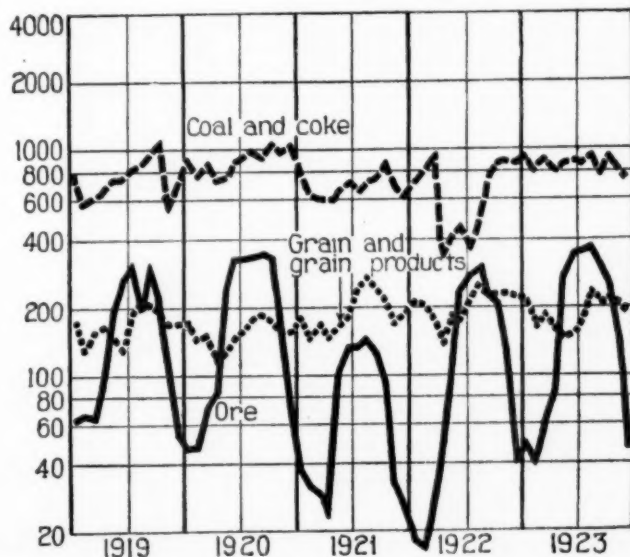
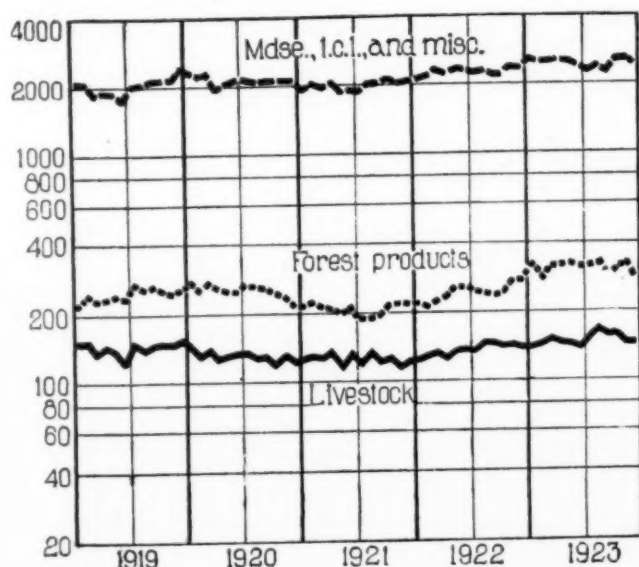


Chart 7. Revenue Freight Car Loadings by Groups, Monthly, 1919-23 (Unit 1,000 cars)

movement previously described: the climb to a peak in October from the low points of February and April and the decline during the winter months; it records also the substantial recovery of business in 1922 as compared with 1921,

loadings for forest products, the month-to-month variations of which are, however, very irregular. In the case of iron ore, where the volume of traffic is affected by the conditions of navigation on the Great Lakes, the peak normally comes

in August, although the drop toward the low levels of the winter does not become precipitate until after October. The peak tends to coincide with the peak in coal loadings because of the heavy volume of the two-way movement between the head of Lake Superior and the Lake Erie ports. The fact that there had not been the usual accumulation of coal at the Duluth and Superior docks in 1922 presented one of the most pressing distribution problems when coal production was resumed in the union fields.

The seasonal indexes for these various descriptions of traffic are shown on Chart 8. The monthly average for the year is here indicated by zero (0), and the amount by which the traffic normally exceeds or falls below that average is shown by the index as plotted above or below that line.<sup>1</sup> These seasonal indexes are based on only four years (1919-22) and for that reason should be regarded as tenta-

The southern and southwestern districts both include lumber and cotton producing territory; the southern and Pocahontas districts both include important soft coal fields. It would, therefore, be necessary for the individual railroad manager seeking to gage probable seasonal movements, to calculate seasonal indexes for the traffic movement of his own railroad.<sup>2</sup>

In order to bring into clearer focus the relationship of the business cycle to the volume of railroad traffic, the actual figures for car loadings have been adjusted (Chart 9) to allow for seasonal influences, which obscure, though they do not hide, the cyclical movements.<sup>2</sup> Even on Chart 7 the depressed condition of business in 1921, the recovery in 1922, and the prosperity in 1923 are apparent from an examination of each of the curves, except in the case of grain and grain products, which showed a decrease rather than an increase last year. The cyclical course of business becomes more evi-

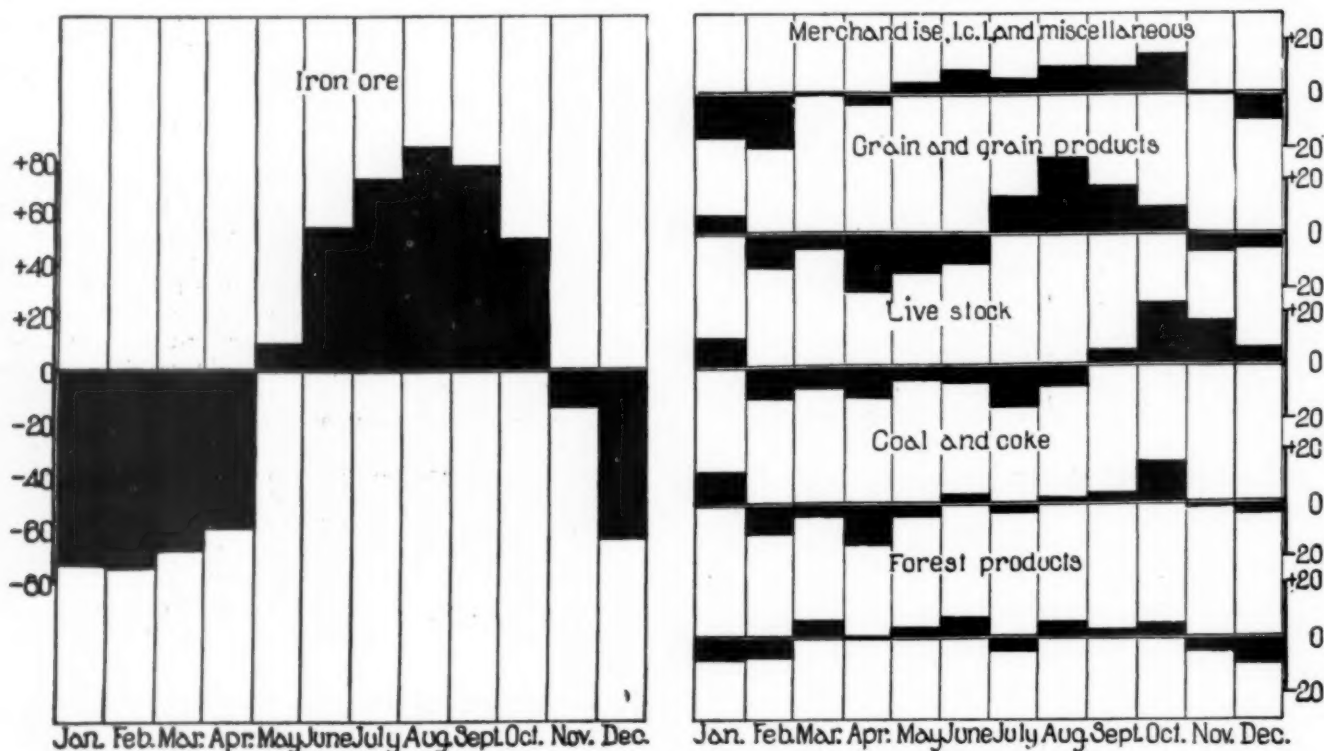


Chart 8. Indexes of Seasonal Variation in Freight Car Loadings by Groups (the black spaces show the percentages by which loadings in each month normally exceed [+] or fall short of [-] the average for the year [0])

tive, especially for coal and coke; but the regularity of the movements during the year is so great as to insure a close approach to accuracy even on this narrow basis.

The seasonal movements of commodity groups necessarily affect the movements reported for the various districts. Thus the Pocahontas district is dominated by the coal traffic while the eastern and Allegheny districts, which include the carriers operating between the Atlantic seaboard and Chicago and St. Louis, very clearly move together. The peaks and the troughs correspond, in point of time, with those shown on Chart 7 for coal and coke and "merchandise, l.c.l., and miscellaneous." This is to be expected, since the carriers included originate a heavy coal tonnage and serve the important industrial sections.

The northwestern and central western districts, including the carriers operating west and northwest from Chicago, also move together, their high points and low points corresponding roughly to those for grain and livestock. In a general way the southern and southwestern districts move together; and, to some extent, the southern and Pocahontas districts.

dent, however, after corrections for seasonal influence have been made.

In Chart 9, on which the adjusted curves appear, the failure of loadings of grain and grain products to respond to the business advance last year is again apparent; the corrected grain loadings, like the uncorrected figures, have been below those of a year ago.<sup>3</sup> The general level of loadings of coal and coke last year, when corrected, although below that for 1920, was considerably above that for 1921. But the coal industry continued to suffer from the readjustment following the high prices incident upon the strike of 1922. The curves for "merchandise, l.c.l., and miscellaneous" freight, forest products, and live stock, on the other hand, rose to levels well above even those of the prosperous 12 months which came between the middle of 1919 and the middle of 1920, during the upswing of the last business cycle. The corrected curve for ore traffic—which was at higher levels in 1923 than in any of the preceding years except 1920—did not rise steeply

<sup>2</sup>For chart showing car loadings by districts, see *Weekly Letter*, Harvard Economic Service, December 16, 1922.

<sup>3</sup>This adjustment for seasonal variation was made by dividing the actual items by the seasonal indexes rather than by the more complicated process described in the previous installment of this article.

<sup>1</sup>These seasonal indexes were calculated by the Persons "link-relative" method.



until it felt the stimulus of the confident upward movement of general business early in 1922.

In addition to showing business prosperity during 1923, Chart 9 records the unevenness of business during the year. Thus the curve for merchandise and miscellaneous car loadings indicated the unusually prompt delivery of the large industrial output during the first half of the year, which cut heavily into the accumulated orders on manufacturers' books; it reflected also the occurrence of the recession during the summer, although, in the case of this class of car loadings, the decline during the late summer was followed by an ad-

period of prosperity are moving into trade, though manufacturing output is curtailed.

Unfortunately the data published by the American Railway Association throw a great variety of commodities into the two groups—merchandise and miscellaneous. Together they make up about 60 per cent of the totals for each month. Since production figures are available for the important manufacturing industries it would give a more complete picture of general business conditions if information were available which would measure the flow of these manufactures into trade. The close correlation of the curves on Chart 10

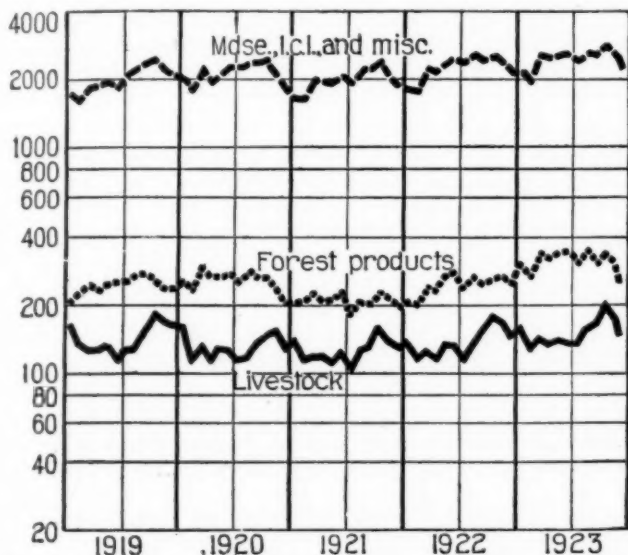


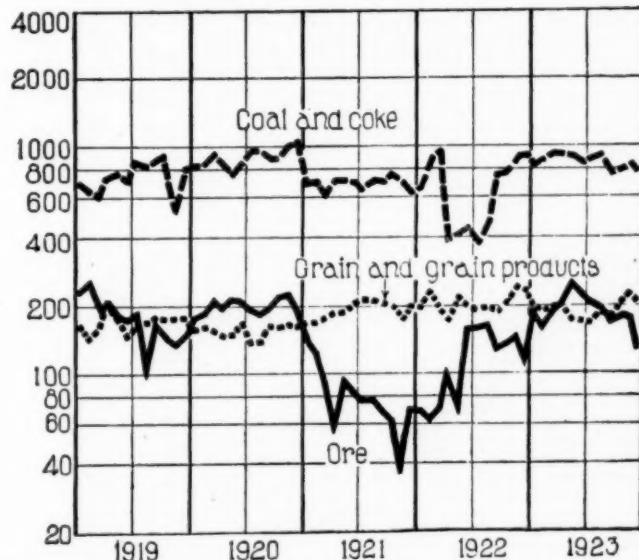
Chart 9. Revenue Freight Car Loadings by Groups: Seasonal Fluctuations Eliminated, Monthly, 1919-23 (Unit: 1,000 cars)

vance to levels above those previously attained. Boom conditions in the construction industry account for the high level of the curve for forest products throughout last year; and the recovery in October and November, following a slight decline in September, indicated a prompt response to the prospect of active building operations during the winter and early spring.

The curve for ore shipments moved off steadily after May, as pig-iron prices continued to show weakness and as the buying of steel and pig-iron became less active; but it subsequently stabilized. Live-stock shipments declined, when account is taken of the effects of seasonal influences—a decline probably ascribable to weakness in the prices of meat animals, which last year followed rather than accompanied the period of heaviest marketing. The recovery of grain prices, following their drop during the summer, doubtless influenced the sharp upturn of the corrected curve for loadings of grain and grain products towards the end of the year. Lately a measure of the general prosperity has been felt in the grain-growing regions.

In the case of "merchandise, l.c.l., and miscellaneous car loadings" an adjusted index has been calculated. These are shown on Chart 10 together with the Index of the Volume of Manufacture of the Harvard Economic Service. Both series have been corrected for trend and seasonal variation by methods summarized in the earlier portions of this discussion.<sup>4</sup>

They show a remarkably close correlation throughout the past five years, although, during 1921 the "merchandise and miscellaneous" curve did not drop as low as did that for the volume of manufacture. Such a condition was rather to be expected, however, since consumption is maintained in fair volume even in periods of depression, while stocks of manufactured goods which had accumulated during the previous



suggests, moreover, that statistics for smaller groups of manufactured commodities (such as the car loadings for textiles, iron and steel products, chemicals, or automobiles), would also be valuable information for the railroad executive, since they would show the probable effect of a change in

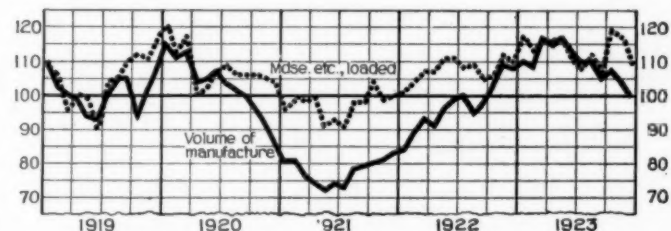


Chart 10. Adjusted Indexes of the Volume of Manufacture (Harvard Economic Service) and "Merchandise, l. c. l. and Miscellaneous" Freight Car Loadings, Monthly, 1919-23 (Percentages Normal=100)

general business conditions upon the demand for a particular kind of railroad service.

### Conclusion

No discussion of the relationships of railroad traffic to the business cycle at this time would be complete without comment upon the exceptional performance of the railroads in the months just past, in relation to the prospect for generally satisfactory business during this half-year. In the first place, current deliveries of merchandise and raw materials were prompt in 1923, so that there was no temptation to duplicate orders or increase commitments for raw materials because of threatened car shortage and congestion. As a result there was not a large volume of orders outstanding to anticipate the needs of the early months of this year. In the second place,

<sup>4</sup>Page 783 of *Railway Age* issue of March 22.

the uninterrupted railroad service contributed to the relative ease of the money market. The normal seasonal hardening of interest rates during the fall arises largely from the business transactions which also create the fall peak in the volume of traffic—the movement of the crops during and following the harvest season, and of coal and merchandise in anticipation of the holiday and winter business.

As a result of this relationship, prompt easing of money rates, once the normal seasonal peak has been passed in October, is dependent in considerable degree upon the quality of railroad service during the fall months. If traffic is handled expeditiously and without congestion, loans can be liquidated promptly, and money rates are likely to grow easier; whereas a condition of traffic congestion will cause the volume of goods in transit to be increased, thus slowing down collections and delaying the repayment of loans. In 1923, a net car surplus was reported even in the busiest weeks of October and early November. Cars were furnished promptly for the movement of the crops, and for the flow of the large volume of manufactured goods into trade channels. The money market was not called upon to finance emergency needs, and money rates eased promptly, creating a condition favorable to general business during the present half-year. The experience of former business cycles indicates the improbability of business depression developing so long as relatively easy conditions obtain in the money market.

## Railway Dining Car Service in America

**B**ETWEEN 40,000,000 and 50,000,000 meals are served annually in the diners on American railways, according to a study just made by the Bureau of Railway Economics of the railway dining car service. Sixty railroads maintain a dining car service.

The purchase of beef alone for dining car use aggregates about 8,000,000 pounds yearly. The equivalent of a herd of more than 70,000 head of cattle is required to supply this beef each year as the dining cars use only the choice cuts. If this herd of cattle were moved all at one time from the farm to market, more than 3,500 freight cars would be required, making a train 35 miles in length. In addition to beef, some 2,000,000 pounds of ham, 1,750,000 pounds of lamb chops and 4,500,000 pounds of other varieties of meat are consumed annually. More than 1,000,000 chickens also are eaten each year by dining car patrons. The annual meat bill of the dining car service is approximately \$7,000,000. Approximately 4,500,000 pounds of fish are used every year.

The diners use 2,000,000 pounds of coffee and 500,000 pounds of tea, together worth over \$800,000. The tea and coffee served is sufficient to supply one generous cupful to every man, woman and child in the United States.

Two million five hundred thousand pounds of butter are used as well as more than 2,250,000 loaves of bread and 60,000,000 rolls. This means that 135,000 bushels of the wheat farmers' crop is sold to the railroads each year in the form of 30,000 barrels of flour. The cost of the bread and butter alone is close to \$2,250,000.

Much fruit of all kinds is used, but apples, oranges and grapefruit predominate. Of the first named, 20,000 barrels, mostly from the Pacific Northwest, representing the yield of over 4,000 full bearing trees, are baked, stewed, fried and otherwise made acceptable for dining car use. Three and a quarter million oranges and a million grapefruit, from the groves of Florida and California, are also consumed by this traveling appetite. The fruit the diners use cost approximately \$1,500,000.

The traveling public also has a keen appetite for potatoes,

about 16,000,000 pounds or the average yield of 6,000 acres of good farm land, being consumed annually in the dining car service.

A whole year's work of 165,000 hens, representing 25,000,000 eggs, is contributed to the appetites on railway diners. Between three and four thousand cows work day and night to supply the more than 6,000,000 quarts of milk and cream used in the diners each year. Three and a quarter million pounds of sugar is required.

The 900,000 quarts of ice cream consumed annually would be sufficient to supply all the children in the country, between the ages of 5 and 9 years, with a good big cone. Many tons of fresh vegetables, berries and small fruits from the truck gardens and farms of the nation find their final market on the dining cars.

A dining car today costs approximately \$50,000. Thus a carrying charge of at least \$3,000 must be assessed against it each year. The upkeep of the car, in the form of maintenance and repairs, is another considerable item of cost. Other large items of expense are for linen, silverware, china and glassware. In the nature of things there is heavy breakage in these last two items, while the linen, which is changed for every service, is subjected to unusual wear and tear.

A large and well managed middle western road presents the following interesting figures on some of the costs of dining car operation: Laundry bill, 4 cents for each person patronizing the car; crew cost, 40 cents, for each person served; 5 cents per person for fuel and ice; other pertinent items of expense, 27 cents per person. None of this 76 cents includes the cost of the food served.

On long transcontinental runs, dining cars must be stocked with perishable commodities on the assumption that the train will be heavily loaded and that a maximum number of persons will require meals. If the train is not heavily loaded, there occurs an unavoidable loss at the end of the run. Moreover, dining car service, especially for dinner, requires caring for its customers in a shorter spread of time than obtains in hotels, thus considerably increasing the force in the cars necessary to serve passengers without delay. In consequence dining cars are not, for the most part, a paying proposition, but being essential to the comfort and convenience of the traveling public, they must be a part of the service which the railroads furnish the public.



Keystone

Ludwigstadt, Germany, Where a Train Recently Topped off a Viaduct onto Houses Below



# The Railroads Oppose the Labor Bill

## Plan Proposed by Labor Organizations Called a Step Backward

WASHINGTON, D. C.

**T**HE HOWELL BILL, to abolish the Railroad Labor Board and set up in its place a series of national boards of adjustment and a board of mediation and conciliation, was opposed at a hearing before a sub-committee of the Senate committee of interstate commerce on March 28 and 29 by railway officers, who urged that the existing sections of the Transportation Act relating to the Labor Board be retained without important change and given a further trial. The plan proposed in the bill, which was drafted by the national railway labor organizations, would be a step backward, they asserted, citing examples from the experience under the laws which preceded the Transportation Act as against the predictions of the representatives of the organizations as to the results to be expected from bi-partisan adjustments. The persistent refusals of the labor organizations in the past to consent to arbitration of any demands of the railroads in connection with the demands of the employees for increased wages were pointed to as indicating some of the difficulties to be anticipated in the future, if conditions should necessitate a downward revision of present wage scales, without some tribunal representing the public interest to decide questions upon which employers and employees are likely to disagree.

The sub-committee which heard the testimony consists of Senators Couzens, Dill and Gooding.

The witnesses testifying were Hale Holden, chairman of the executive committee of the Association of Railway Executives; Daniel Willard, president of the Baltimore & Ohio; Carl R. Gray, president of the Union Pacific; P. E. Crowley, vice-president, New York Central Lines; Charles P. Neill, manager, Bureau of Information of the Southeastern Railroads; and John G. Walber, chairman of the sub-committee of the Advisory Committee on Operation, Association of Railway Executives.

"This bill proposes to adopt," said Mr. Holden, "the war scheme of national boards of adjustment, whereas the framers of the Transportation Act were unwilling to impose that obligation upon either employees or railroads. They wisely recognized that there should be the option left both to the management and to the employees to establish these adjustment boards by agreements and locally or by such groups of railroads as might enter into agreements for that purpose, or nationally as might be determined. The railroads oppose the requirement for national adjustment boards, because boards of that type; 1, lose contact with local conditions; 2, undertake to promote unnecessary standardization of conditions without due regard for local differences; 3, create standing invitations for appeals far distant from the place where the controversy arose, and 4, involve unnecessary expense of time and money not only in maintaining the boards, but also in attending upon them. They may have been fitted to federal control conditions, but they are an unwise institution in time of peace, and work against, rather than in favor of, local settlements. No satisfactory reason has been offered for their creation.

Mr. Holden continued in part as follows:

### Mr. Holden's Statement

Nominations to these boards are provided by this bill in a manner which will effectively establish the closed shop on American railroads. The Howell bill was presented to Congress by a number of railroad labor organizations representing a substantial part, but by no means all, of the employees engaged in transportation service. It is well known that there are more than a majority in many of the railroad crafts that are not affiliated with

organizations appearing at this hearing and which do not desire to be represented by them because they have their own established methods of dealing with the companies for which they work. There are hundreds of thousands of railroad workers who are not represented by them at all in this proceeding.

The Howell bill proposes radical changes in the present established method of dealing with railroad labor questions and, in certain vital and important features principally affecting the public interest, it proposes backward steps, which, because of the predominant public interest, I assume Congress will examine and consider with studious care.

The Transportation Act, by almost universal expression, has been characterized as the first constructive law passed in the program of regulation of railroads by the government. Every informed person knows that it was enacted to meet a set of conditions that without it would have meant bankruptcy to most of the railroads of the country and almost immediate widespread labor disturbances and interruption of traffic. In several features the Transportation Act did not satisfy the views of the railroads nor of the shipping public, but in accord with past experience it seems to have carried into Title III. of the act (the Labor Board provisions) more of the views of railroad labor than those of any other interest. We are still in the midst of changing and difficult conditions and a reasonable return to normal economic conditions appears to be still some time in the future. It is difficult to predict the future because of uncertain conditions. Therefore, the railroad companies feel that the Transportation Act of 1920 has not yet had a fair trial and that, under present changing conditions, important additional legislation relating to the transportation situation might well be deferred.

Railroad labor conditions are more stable and satisfactory than for a long time past. There are no important questions pending which threaten a crisis of any character, nor any which seem to be beyond the ability of the managements and employees to harmoniously deal with. Railroad freight rates are steadily being readjusted downward; in fact on some commodities and in some portions of the country rates have been reduced more rapidly than the railroads feel conditions justified. Considering these conditions the railroads believe that they have borne and are currently bearing their full share of the burden in the effort to return to normal conditions during this reconstruction period. As a matter of fact railroad rates have been reduced more rapidly than railroad expenses, and railroad wages are still substantially above the index figures showing the relative cost of living. Railroad rates are now but 54 per cent above the pre-war basis and the cost of living is 73 per cent above the pre-war basis of comparison, whereas the hourly wage of railroad employees is 133 per cent higher than the pre-war basis, and the average annual compensation is 95 per cent higher than the pre-war basis.

### Advantages of a Permanent Labor Board

The United States Railroad Labor Board is the principal feature of Title III. of the Transportation Act of 1920. Title III. of this law was enacted in the light of all of the experience since 1888 and was the result in that field of railroad regulation not only of conference, over a considerable period of time, by appropriate committees of Congress with persons in varied walks of life and occupations, in as well as out of railroad service, but also of the accumulated expressions in public records and otherwise on the subject and in the light of the experience under both the Erdman and Newlands acts, in the handling and adjustments of controversies in the past.

Having the benefit of all of these sources of information and advice, Congress adopted the views of no single interest, but exercised its own informed judgment in creating this law. It did adhere, however, to the long-standing objections of labor to any form of compulsion in the settlement of labor questions, but also recognized the steady increase in the public conviction that the public had the largest single interest in the subject matter and was entitled to and demanded the largest reasonable measure of protection against the serious inconveniences and heavy losses which result from interruptions in service. This law was the final expression as to the right of the public to be considered and while not restraining the liberty of the individual employee or of organizations of employees to exercise their power to strike, it did impose through the weight of public opinion, the duty upon both employees and management to bring their unadjusted controversies to a public tribunal for examination, so that, by a decision on the merits, the public could be informed and exert

the pressure of public opinion upon the parties to abide by the decision. The proposed measure noticeably relaxes that pressure.

In providing for a permanent labor board it seems that Congress appreciated the objections heard from labor leaders, while the Newlands law was in operation, that the casual public arbitrators selected for a particular controversy were incapable of fully understanding the intricate questions arising out of railroad schedules and conditions of service, but at the same time recognized that in major questions out of which interruption of traffic was threatened and increases in the expenses of the railroads were involved the public should have a voice and a direct means of understanding the controversy by a seat on the board. Congress, therefore, adopted the scheme of a permanent tribunal that could educate itself and become expert in its methods and conclusions by learning how to speak the same language and understand the same phraseology used in railroad service.

There are at least 19 organizations of railroad employees in the fourth group, outside of system organizations, as shown by the commission's records in *Ex-Parte* 72, not included in the definitions of the bill, or in the list submitted in testimony. The proponents of this measure do not represent two million of railroad workers, as claimed, but a much smaller number.

On many roads there are well established system boards of adjustment or other similar agencies, which are functioning with entire satisfaction and through which adequate consideration of, as well as attention to, local conditions, is given. On many roads there have been few, if any, questions taken to the Labor Board, and no argument can be advanced that would bear unbiased analysis, for the proposed unwieldy and objectionable machinery of national boards of adjustment among the railroad workers of the country.

Under the permissive authority of Section 302 of the Transportation Act of 1920, the practice of considering and settling controversies locally and by groups of roads in common territory and operating under like conditions has been very largely adopted. In train and engine service, for example, there are three boards of adjustment to which a large number of important lines have subscribed and under which they operate. On other roads there are established system methods of practices providing the same means for mutual discussion and negotiation and as to all classes of employees that have expressed the desire that those methods be established.

#### Relations With Employees Best in Years

I assert that it is many years since the relations between employees and railroad management were more friendly, stable and satisfactory on both sides than they are at the present time, and have been for the past 12 to 15 months. The railroads of the country handled successfully and without noticeable complaint from any quarter in 1923 the largest volume of traffic in their history, without car shortage or delay and without controversy with or complaint from railroad labor. There possibly has never been a period when the relations between railroad employees and the management have been closer or more firmly grounded upon mutual sympathy and respect. Railroad equipment, tracks and other facilities are in better condition and rendering better service than for many years and the fine sample of service which the American railroads have given to the American public since they were able to resume control of conditions after the disorganization resulting from federal control, is largely to be credited to the fine spirit of co-operation and enthusiasm shown by all classes of men in railroad service. Without this joint spirit of effort and service, those results could not have been accomplished.

#### Public Entitled to Representation

In providing a tribunal authorized to inquire into controversies that threaten interruption of commerce and in making it the legal and public duty of the parties to immediately refer such controversies to this tribunal, Congress took a step in advance and one which I believe it will carefully weigh in the light of the public interest and anxiety over these questions, before it withdraws and returns to less secure methods, such as those which are advocated in the pending bill. Heretofore there had been no public tribunal authorized to inquire into and determine the right of a controversy and thereby inform the public as to the merits of it, unless the parties were willing to agree to arbitrate and establish a board of arbitration. In the controversy resulting in the Adamson law, labor was not willing to arbitrate and the public was deprived of the benefit of a calm analysis of the issues and an impartial opinion on the merits of them. Under the pending measure, although it is persuasively urged by labor representatives that arbitration will not likely be refused if that measure is enacted, it may fairly be asked whether Congress will relieve the parties from the duty to appear before a tribunal and enable it to inquire into the facts or leave it wholly to the parties to determine whether they will adopt that course. Every law enacted on this subject since the beginning has been the adoption of amendments not only to provide a better system of machinery for the parties, but to

more carefully safeguard the interests of the public, and I do not believe that the criticisms upon Title III. of this act, as well as upon some of the actions of the Labor Board, will justify a step in retreat and the discard of this feature which is so important in the public interest.

In passing this law, Congress took another important step and the proposed bill abandons that also. Railroad operations cannot be sustained except out of the revenues earned through the service. However the legislative scheme relating to the establishment and maintenance of just and reasonable freight and passenger rates may be expressed, it is fundamental that the revenues must provide not only sufficient earnings to pay the expenses and taxes, but also sufficient to sustain the investments in and the credit of the railroad properties. Until Title III. was passed, there was no statutory relationship between railroad earnings and expenses, but in the Transportation Act of 1920 Congress imposed the duty upon management to operate the railroads in an honest, economical and efficient manner and empowered the Interstate Commerce Commission with certain duties to see that this is done. It went further, however, and recognized that there ought to be some scrutiny of agreements made between employees and management to increase wages or compensation through rules relating to working conditions, or in other words that the Interstate Commerce Commission should no longer be left without some form of public scrutiny over wages and compensation agreements which would affect earnings and bring about necessity for increases in rates.

Lately, the tendency of wages upon railroads has been upwards and various classes of employees have been given increases in compensation as the result of negotiation and conference. In certain classes the process is now going on by individual railroads and otherwise. These increases are within the rights of employees and management under the law and result not only from the prevailing spirit of mutual respect as shown by these conferences and negotiations, but also by the mandate of Section 301 that the parties shall exert every reasonable effort and adopt every available means to settle and decide these questions in conference among themselves.

#### Relation Between Wages of Labor and Rates to the Public

It may be that some increases in charges for transportation service may have to follow these increases in rates of pay, unless the volume of business substantially increases or by greater economies the necessary balance between revenues and expenses can be restored. Congress placed upon the United States Railroad Labor Board the duty to intervene in the event, in its opinion, these agreements between employees and management appear to involve such increases as may likely necessitate a substantial readjustment in the rates of any carrier, and required at least one public representative on the board to join in any decision reached on this subject. The pending measure destroys this relationship between wage expenses and revenues from rates because it will leave the management and employees free, as under previous legislation, to reach any agreements that they may determine upon, increasing operating expenses accordingly without the Interstate Commerce Commission or the public having any voice in the matter or even knowledge as to the reasons for the increases.

"Under the proposed measure, in the event that the parties do not settle by agreement, as contemplated, they may arbitrate their differences or they may not. If they do arbitrate, it would still remain to be seen whether the results of arbitration boards so established would be more satisfactory to the parties than those under the Newlands act, or whether these results would be as persuasive to and conclusive upon the shipping public and the Interstate Commerce Commission as the conclusions of a board such as Congress designed the United States Railroad Labor Board to be. As stated, however, if there is agreement without arbitration, there is no form of public scrutiny or control provided in the proposed measure. Arbitration may not be agreed to in all cases and the crisis resulting in the Adamson law, which heavily increased railroad expenses, is a precedent not to be overlooked. And, finally, it is a matter of the greatest importance for Congress and for the public to determine whether or not they are willing to withdraw from the present advance that was taken in Title III. of the Transportation Act and leave the question of increases in railroad wages to the uncontrolled agreements of the parties or to casual arbitration tribunals that may be agreed upon by the parties.

Mr. Holden said that it was only after the Labor Board had ordered reductions in wages averaging approximately 12 per cent and amounting annually to about \$400,000,000, effective on July 1, 1922, that "there was heard for the first time the beginning of complaint over the functions of the Labor Board and it may fairly be stated that here arose the



principal reason for hostility to this board and the beginning of the demand for its removal."

"If the United States Railroad Labor Board," continued Mr. Holden, "is abolished and the proposed measure is substituted, it is a fair inquiry to know how and in what manner reductions in rates of pay may be accomplished when the time arrives for an inquiry into that subject. Would railroad labor agree, under the Howell bill, to arbitrate a question of this kind? It refused to consider the subject in 1921 and if Title III of the Transportation Act had not been on the statute books, it is quite certain that no arbitration could have been secured by agreement.

"I am not here arguing the merits of this question, nor predicting a movement for the reduction in rates of pay. On the contrary, as stated before, the recent tendency, and the present tendency, seems upward. But no existing scheme of legislation should be abandoned for one which makes no provision for the protection of the public interest, as well as that of the carriers, for an examination of these questions when the time does arrive, and no scheme of legislation should be adopted in lieu of the present statute which will obviously prevent public examination and determination of that question at the appropriate time.

"I do not wish to enter into a discussion of questions related to the personnel of the board or the individual actions or public expressions of any of its members, nor do I believe it of interest to this committee, nor consonant with its dignity to examine into or appraise the small matters of complaint and contention which have been thrown on the fire to add to the effort to create a conflagration. This board functioned measurably well when it operated in the forward direction; it encountered condemnation and complaint when it exhibited the courage to function in the reverse. In reducing rates of pay it may have erred on the facts, but I do not believe that it did, and I do not think that the public believes that it did. If the personnel of the board is not adequate to the responsibilities that it carries, the law provides methods for change and some changes have occurred, but I think we may as well frankly face the major aspects of the situation and recognize that if Title III of this act is repealed, it will be because of complaint, not against the board, but against some of the decisions of the board and of those the major complaint arises over the fact that here was a tribunal for the first time in the history of the railroads that had the duty and the power to address itself to an examination of petitions presented to it for moderate reductions in wages and had the courage to decide on the facts presented that such reductions were appropriate. The railroads do not believe this record justifies the condemnation either of the law or of the personnel of the board.

"The major reason for the proposed measure appears to be the demand by those particular organizations representing, as they do, only a part of railroad labor, to be relieved from the Labor Board and the pressure of public opinion under the duty created by the law, to first submit controversies not otherwise disposed of, to the Labor Board before resorting to strike. The law was enacted to bring it about through the pressure of public opinion that there should not be an interruption of traffic of any serious moment until the Labor Board has first had the opportunity to hear the case and announce a decision as to the right course to be followed.

"For this important public reason, as well as for equally important reasons already given, this advance in labor legislation should not be abandoned without more persuasive reasons than have thus far been advanced. The railroads urge that it be given further trial before any important change is made in its provisions."

#### Mr. Willard's Testimony

Mr. Willard told the committee that while he did not approve in detail every feature of the labor provisions in the

Transportation Act, he did consider them the best scheme so far set up in this or any other country for dealing with the particular problem in mind.

"If, however, Congress should determine to change the Act," said Mr. Willard, "I am convinced that the plan proposed in the Howell bill would not only not work better than the existing provisions, but would fall far short of obtaining the results which the public at least has a right to expect from legislation of that character.

"The provision in the Howell bill for four national boards of adjustment appointed by the President as proposed, in my opinion would afford a cumbersome and inflexible agency far less likely to get satisfactory results either for the companies or for the workers, than could reasonably be expected from the adjustment boards as already provided for in the existing act. It is true that the adjustment boards have not been made use of to as great an extent as might be desired. The act itself provided that the carriers and the employees should be free to choose whether they should use such agencies or not. I think they could and should have been used to a greater extent than they have been, but no change in the law is necessary to bring that about. It rests entirely with the railroad companies and the railroad employees to make as wide a use of such agencies as seems desirable, and in my opinion no amendment is necessary or desirable in that part of the Transportation Act.

"I think it would be a very grave mistake to abandon a permanent board as now provided for and seek to obtain a new and untried board in each particular case, constituted as it would be of men whose time would be taken up chiefly by their regular duties and who would have no accumulative and current knowledge concerning the matters to be determined."

Asked by Senator Couzens, chairman of the sub-committee, as to whether he had any suggestions regarding the present Labor Board, Mr. Willard said that it was his own personal idea that it might be better were the board composed of two labor representatives, two railroad representatives and five representatives of the public instead of each class having three representatives as is now the case.

"If we had continued economically on a basis of increased costs and rising prices," Mr. Willard said, "I think it is not unlikely that the Labor Board would also have continued to deal with the situation in a way that would have met with the general acceptance, if not approval, of the workers, and the decisions of the board, based upon the standards established by Congress itself, would probably have been acceptable to the railway managers and to the public generally, but the period of inflation following the great war finally ended, like all other such movements, and deflation began and it then became necessary for the Labor Board to consider reductions in wages in order to bring them in harmony with the standards and tests which Congress had incorporated in the law, and of course any movement which tends to reduce the individual income is not likely to be looked upon with approval by the individual so affected. Personally I believe that the Labor Board, in its decisions reducing wages, was just as earnestly seeking to carry out the mandate of the law as it was when it gave its first decision increasing wages, and it should not be forgotten that notwithstanding the fact that no one likes to have his wages or income reduced, the first adverse decision of the Labor Board which had the effect of taking from the railway employees approximately one-half of the amount that was granted by Decision No. 2, was accepted by the railway workers as a whole. The reductions so ordered were made effective with relatively little objection on the part of the men; it is certainly a fact that whatever objection there may have been, it did not result in any interruption of the service. I doubt if ever before there has occurred such a large reduction in the wages of the workers connected with any particular industry with-

out violent protests, and it seems to me that this one accomplishment of itself fully justifies the wisdom of Congress when it enacted the existing labor provisions of the Transportation Act, and not only that, it reflects great credit upon the personnel of the Labor Board that dealt with the problem in such a way as to meet with such general acquiescence, because we may assume that however distasteful the reduction may have been to the workers affected, they evidently felt that under all the circumstances the reduction was probably justified by the then existing facts, otherwise they would have made more vigorous protest."

Mr. Gray, who was director of the Division of Operation of the United States Railroad Administration during the war, told of some of the inconsistencies growing out of wage awards made by boards during the war, in order to show the effect of having on those boards men without practical experience in that work. One illustration cited by him was where locomotive firemen were awarded higher pay than the engineers working on the same locomotive. He predicted that "we would have something of the same kind of a result under this bill," adding, "what we want is stability of approach and determination." Mr. Gray said he was in accord with the views expressed by Mr. Holden and Mr. Willard.

"We are now getting back to the old time method of settling many of our differences at home," said Mr. Crowley, "and it is our thought that if the present law is allowed to stand and the officers and employees profit by their experience, the number of cases it will be necessary to appeal to the Labor Board will grow less and less every day. To create national boards of adjustment would remove such boards from that touch with the local situation which is so essential to harmonious handling of the questions that from time to time must necessarily be submitted. I trust you will conclude to give the present labor law a further trial, but if you consider a change is necessary I want to point out that the bill before you, proposing first, national boards of adjustment, and, second, a board of mediation and conciliation has been tried before and failed."

#### Experience Under Former Laws

Dr. Neill compared some of the experiences of the past with the predictions of the proponents of the bill as to how it would act saying:

This prediction must be the view of those who either had little actual experience with the machinery of the acts they are extolling, or whose recollections have mellowed into vagueness with the passage of time. It is somewhat persuasive to read a table showing the controversies adjusted either through mediation or arbitration during the ten or more years in which the Erdman and the Newlands laws were in actual operation; but it must be remembered that, with few exceptions, all these mediations or arbitrations were preceded by friction and discord that finally led up to the very edge of a strike; and that the mediation or arbitration in many cases only averted a serious interruption to traffic, with grave public consequences, by a very narrow margin.

The real facts are that during a great part of the time from the beginning of 1907 up to 1917 the managements of railroads, and a considerable part of the public alike, were constantly facing the menace of an impending strike. And although in the previous hearing it was stated by the proponents of this bill that prior to the Transportation Act there had been "thirty years without interruption of transportation service," I can recall somewhere between ten and fifteen actual strikes of the very classes of transportation employees who were under the provisions of the Erdman and the Newlands acts.

I am not discussing at all the merits of any of these past controversies, but I am merely trying to show the committee the "discord and strife" that existed during the years of the operation of the laws which it is now being urged should be, in effect re-enacted; and challenging the implications that there was, under the operations of these laws, a peaceful and happy condition in the relations of managements and employees on the railroads of the country, which has been destroyed by the enactment of the Transportation Act, and which can be restored by the mere mechanical process of passing this proposed bill.

Moreover, neither the mediations, nor the arbitrations, held under the Erdman and Newlands acts were, at the time, considered

such satisfactory settlements of pending disputes as they are now being pictured. Some of the mediations left extreme soreness and led to vehemently expressed dissatisfaction with the results; sometimes with bitter criticism of the mediators, and even attacks upon their integrity; and in the period of keen disappointment that followed the handing down of awards by arbitration boards, the representatives of the employees sometimes attacked these boards almost, if not fully, as bitterly as they are now attacking the Labor Board.

If the old machinery of the Erdman and the Newlands acts is again set up, it is inevitable that settlements by mediation or awards of arbitration boards will, at the time they are made, frequently prove just as disappointing as they did in the years past; and that there will again be felt, and expressed, criticism and resentment of the very kind that is now being directed against the Labor Board; for with human nature as it is, and with men's sense of right and fairness so profoundly influenced by their immediate interests, it would be wholly futile to hope that the mere setting up of any legal or governmental machinery will remove all source of discord and create such a happy age of peace and harmony as it has been implied existed under the Erdman and the Newlands acts.

In the first place, not only the mediation but, as has already been pointed out, in the arbitrations, the settlements in important cases invariably represented increases in rates, or the revision of rules more favorable to the employees than the ones under which they were then working. As already stated, *with hardly an exception*, when mediation began either a strike was impending, or a strike had actually occurred. The mediation proceedings were thus carried on under extreme pressure on both sides because of the imminence of a strike or the existence of a strike. Each side was, therefore, under compulsion in this sense that no management cared to have a strike precipitated nor were the organizations ordinarily willing lightly to take the chances of a test of force. The result of the mediation, therefore, merely indicated the extent to which each side was willing to yield under pressure. Where an organization was strong and determined, the managements made larger concessions. Where an organization was weak and a management determined, the organizations had to make the larger concessions rather than to risk a strike.

#### J. G. Walber Analyzes Bill

Mr. Walber, after analyzing the bill in detail, said that the enactment of the bill would bring about a closed shop on all railroads in the United States; that it "expressly grants special and exclusive privileges to the particular national organizations described in the bill and deprives unorganized employees and all locally organized employees of any representation whatever on any of the boards."

As an illustration Mr. Walber said that employees represented by the national labor organizations which union representatives testified support this bill, number only 45.3 per cent of the total number of employees on the Eastern roads, which would leave 54.7 per cent who are not members of national organizations and who would be deprived, under the terms of the bill, of representation on the national adjustment boards.

Mr. Walber submitted figures to show that only about 37 per cent of the shop craft employees on the Eastern railroads are members of the national organizations and only about 50 per cent of the maintenance of way employees. Signalmen members of these organizations represent about 60 per cent, dispatchers 33 per cent and telegraphers 71 per cent, he testified. In the marine department only 8 per cent are members of the organizations supporting the bill.

On Western railroads, organizations supporting the bill include only about 66½ per cent of the total number of railroad employees on those lines, according to the witness, who pointed out that out of nearly 173,000 shop crafts employees, only 30,410 or 17.6 per cent are members of the national organization.

"The railroads," said Mr. Walber, "have no objection to collective bargaining. They practiced it before federal control of the railroads and have continued to do so under the Transportation Act. They do protest against any contention that collective bargaining must be nation-wide, or in other words, in disregard of the identity of the individual properties."

"In order to avoid depriving large numbers of employees



of their rights, we believe there is no escape from the conclusion that national boards of adjustment are impossible." He continued in part:

It appears that the intent of the framers of this bill is to establish by law the control of the national organizations over railroad employees.

It would certainly appear that these various organizations should be required to show by what authority they assume to represent the several classes of employees in the railroad service. There can be no sound reason for treating all the railroads in the United States as a unit, but even if that were done, with the exception of the engine and train service employees, it is extremely doubtful whether the various organizations sponsoring this bill could demonstrate that they represented a majority of the railroad employees of the respective crafts or classes. Such organizations cannot show that they have been selected by the employees on all the individual properties to represent them, and if such boards of adjustment were adopted by an act of Congress, it would appear that the employees on the individual properties would be compelled to accept representation by such labor organizations. The bill plainly only recognizes national craft organizations as the representatives of railroad employees and makes no provision whatever for the employees having any voice in the selection of their representatives.

### National Organizations Only Recognized

The provision that the nominations for the various boards of adjustment shall be made by the nationally organized crafts means in practice that in the case of some classes of employees, the mere fact of being organized on a national basis would give them, by law, the right to control the membership of a board, although in fact such national organization might not represent even 50 per cent of the employees in the class involved. Furthermore, only certain of the organizations are composed of only railroad employees. On every occasion when questions have arisen as to the membership of some of the organizations in the service of the railroads, it has been represented that the organizations from their records could not separate the membership so that it is impossible to ascertain this information as to railroad employees.

Moreover, in many cases, there is extreme bitterness on the part of the members of the nationally organized unions against those who have declined to join the organization. This provision, in law, would require those who elected not to join the organization, or those locally organized, to submit all disputes to a tribunal, the membership of which they not only have no voice in selecting, but which membership had been selected by an organization hostile to the unorganized or locally organized, who would be obliged to submit their grievance for adjustment.

This proposed legislation, by confining the power of selecting representatives to the national unions, would be a most effective instrumentality for finally bringing about a closed shop on all the railroads in the United States.

For example: Assume that 65 per cent of the train dispatchers of the United States might be unwilling to join the dispatchers' association. But so long as they either form no organization or local organizations to deal directly with their individual managements, then the so-called national organization representing only 35 per cent would be recognized by law as having the right to name the representatives to pass on the cases of any dispatchers who might find occasion to carry grievances to a board of adjustment.

Apparently all that is necessary is for an organization to name itself the national organization of such and such craft and if it then secures representation in limited degree in various parts of the country, it would claim that it was a national organization. There are at this time in more instances than one, two organizations representing the same classes of employees, both national in their title and with memberships scattered over the entire country. The question would immediately arise as to which organization would have the right to make nominations of public officials to sit upon these boards.

An organization which today is the predominating organization of a given class might at any moment have its right challenged by a new organization and after a short time the two organizations may be of almost equal membership. The language of the law, therefore, would invite friction and controversy over the selection of the membership of the proposed boards.

The experience of the railroads has been that the national application of rules has been the cause of a great deal of friction. Many of these rules disregard local conditions which is responsible for the differences. Many railroads have negotiated entirely different rules than those laid down by the Labor Board and if boards with national jurisdiction were to be inaugurated we have no doubt that the constant tendency would be to establish uniform and national application of rules.

The railroads have by agreement with the organizations established boards of adjustment for the engine and train service em-

ployees on certain railroads in the Western, Eastern and South-eastern territories. An examination of their decisions would show that each board confines its decisions to the individual roads, and they are predicated upon the local practices. A very small proportion of the cases grow out of rules of general application. As to the latter, in the absence of understandings to the contrary, they are generally uniformly applied, but there is no attempt to give local rules the same interpretation even though they are expressed in the same language on different railroads. This accounts for the general satisfaction that exists with such boards, but it is believed that if national boards were to be substituted, and such boards used to standardize the application of rules and practices, they would be equally unsatisfactory as the boards dealing with other classes of employees.

On page 4 of the stenographic minutes of the hearing of March 18 Mr. Robertson states that the bill embodies a program for insuring continuous and efficient operation of the railroads, and that the bill would accomplish this result. Because of the conditions as to the designation of the representatives of the employees which are set forth in connection with the proposals for boards of adjustment, the managements are convinced that if the bill were passed in approximately the same terms as are proposed it would have the opposite effect of what is claimed for the bill. The complexities as to the classifications of employees which the bill would produce, and the disregard of the rights of employees upon individual properties and of the responsibilities of the managements upon individual properties, would produce interminable strife in connection with many classes of employees. It is recognized that the engine and train service organizations have been selected to represent employees of practically all the railroads, but even within these groups there are rival organizations representing yard conductors, brakemen and switchtenders. However, it is proposed to give both of these organizations equal representation on the proposed board of adjustment, notwithstanding one of the organizations represents both road and yardmen while another represents only yardmen; the telegraphers' organization has also been selected by the employees of most railroads but not even to the same extent as the engine and train service organizations. As to the other classes of employees the situation is very different, as shown by the comments in connection with boards of adjustment.

Mr. Robertson attributes the accumulation of cases before the Labor Board to the failure to establish boards of adjustment. The Transportation Act clearly provides for their creation by individual railroad systems, groups of railroads, regionally or nationally. The railroads stood ready to create boards by individual railroads; and in other instances by groups of railroads. But until late in 1921 the labor organizations persisted in having nothing but national boards. When the engine and train service organizations receded from this position, boards were created on one large system in the East; another covering three systems in the East; one covering the greater number of systems in the Southeast; and another covering the majority of railroads in the West. Other railroads have been willing to establish boards for their individual properties but the organizations have refused to permit it.

With the situation as it is with reference to the representation of employees on the individual carriers, it must be evident that to confine the labor membership of boards of adjustment to representatives of only national organizations would deprive not only great numbers of employees of the right to exercise a privilege which the national organizations appear to value so highly, but also to completely ignore the identity of individual railroads and the responsibility resting upon managements.

Referring to Title III. of the Transportation Act, Mr. Robertson states—"It has satisfied no one" and "after thirty years without interruption of transportation service, we have seen in four years under the Transportation Act discord and strife prevalent on the railroads and the only national strike in our history." It is interesting to test these statements by the experiences of the railroads during the year 1919 when they were under federal control, with boards of adjustment for settling grievances, the bipartisan Board of Railroad Wages and Working Conditions for handling wage matters, with a Division of Labor in the Federal Railroad Administration (under a highly respected labor leader as director, and the president of the boilermakers' organization as assistant director) and with the railroads under centralized control, thus creating a situation which is not possible with the railroads under separate corporate control.

Here Mr. Walber submitted a table classifying 248 strikes on 153 railroads in 1919.

In addition to the general situation described in the statements of other witnesses there can be no question that the policy of labor organizations from the time the railroads were turned back to private managements has been to continue the handling of railroad labor matters on a national basis.

With reference to boards of adjustment all the labor organizations persisted in demanding national boards of adjustment until

the early part of 1921 when the chief executives of the engine and train service organizations notified the chairman of the Association of Railway Executives that they had withdrawn from the agreement of the 16 railroad labor organizations on this matter and were prepared to enter into negotiations concerning the establishment of regional boards of adjustment. As a result of this change in policy of the engine and train service organizations the boards of adjustment previously referred to were created, but the other organizations persisted in the national policy.

### The Shop Strike

The nation-wide strike of the shop men is directly traceable to that policy; unquestionably the prolongation of that strike was due to their adherence to the national policy. It is a well known fact that representatives of the employees on certain northwestern railroads endeavored to obtain authority from the Railway Employees' Department to negotiate a settlement within the first two weeks of July, 1922; but they were refused such authority. Later after the chief executives of the engine and train service organizations interceded in their behalf (in August, 1922) they still adhered to the national basis, refusing to otherwise settle. Settlements by individual railroads that took place September 19, 1922, would have been entered into at least one month earlier had it not been for that policy.

The provisions with reference to the several boards of adjustment seem to have been prepared without any regard whatever to the scope of the bill. Under "Definitions" it will be noted that the term "carrier" includes any express company, sleeping car company, private car company \* \* \* interurban and suburban electric railway companies, etc.

### Employee Representatives

The framers of the bill may have assumed that all the various types of carriers would find some way of selecting representatives of the management, but as to the representatives of the employees the provisions are definite—that they shall be selected by national organizations of employees, and there has been filed with the Senate committee a list of the twenty so-called standard labor organizations which are supporting the bill. An examination of that list shows that no consideration is given to the organizations representing employees on such carriers other than the railroads. It is common knowledge that the Amalgamated Association of Street Railway Employees represents motormen, conductors, trolley men, shop employees, trackmen and other employees on the interurban and suburban electric railways, but as to the other carriers we have no information as to the nature of the organizations of their employees. However, the provisions appear to be definite that the representatives of employees on the several boards of adjustment are to be selected by national labor organizations associated with the railroad industry. We have no information whatever as to whether the labor organizations which are associated with the railroad industry have been selected by the employees of the other carriers, and without any information on that score it is inconceivable that the Congress should be expected to adopt such far-reaching regulations affecting the vital interests of all the carriers. It does appear evident that none of the employees of the interurban or suburban electric railways not conducted by steam railroads, and none of the transportation employees of the Pullman Company have any representation on any of the boards provided in the bill. Moreover, take for example Board No. 1. Seven members are provided on that board representing the employees, to match up with seven particular organizations now existing in the engine, train and yard, telegraphing and dispatching service. The bill carefully provides that each of these seven organizations shall be guaranteed the privilege of naming one member of the board, but when it comes to providing for the representatives of management on such boards there is no provision whatever that the managements of street electric railways which are included, or the Pullman Company should be given any specific number of representatives on that board. The representation of the management, in a word, is entirely scrambled and representatives of electric lines, or short lines, of Class 1 lines, of the Pullman Company, express companies, and private car lines are left to work out amongst themselves the respective number that each of these should be entitled to name on the managements' side of such board.

In the light of the different numbers of members representing managements and employees on the other boards, the problem of providing representation for the numerous interests, many of which have nothing in common, would be, if anything, more aggravated than the description in connection with Board No. 1.

The hearing was adjourned on March 29 to be resumed on April 4 and April 7. The Railroad Labor Board has asked an opportunity to be heard and concluding statements may be made by counsel for the railroads and for the labor unions.

## Freight Car Loading

WASHINGTON, D. C.

REVENUE FREIGHT CAR LOADING for the week ended March 22 fell below the figures for the corresponding week of last year for the first time since last fall. The total was 908,651 cars, as compared with 916,818 in 1923 and 837,241 in 1922. The drop is accounted for in part by the light coal loading, which amounted only to 161,149 cars for the week, or 23,782 cars less than the loading for the corresponding week of last year and 42,070 cars less than the loading for 1922. There were also decreases as compared with last year in the loading of grain and grain products, coke, ore and miscellaneous freight. In the Eastern, Allegheny and Central Western districts the loading was less than that for the corresponding week of last year. The summary as compiled by the Car Service Division of the American Railway Association follows:

REVENUE FREIGHT CAR LOADING, WEEK ENDED MARCH 22, 1924

Districts	1924	1923	1922
Eastern	225,446	236,633	210,980
Allegheny	191,218	204,545	180,926
Pocahontas	38,402	34,625	37,016
Southern	145,785	144,739	133,148
Northwestern	118,434	107,403	97,042
Central Western	129,664	134,269	123,484
Southwestern	59,702	54,604	54,643
Commodities			
Grain and Grain Products	38,064	39,352	37,664
Livestock	31,075	29,720	25,388
Coal	161,149	184,931	203,219
Coke	13,269	14,839	8,692
Forest Products	81,065	73,201	54,382
Ore	11,180	14,684	5,293
Mdse., L. C. L.	250,723	232,653	239,459
Miscellaneous	322,126	327,438	263,144
Total	908,651	916,818	837,241
March 15	916,953	904,116	815,082
March 8	929,505	905,344	820,886
March 1	945,049	918,624	793,115
February 23	845,898	830,187	728,925
Cumulative Loading to Date	10,679,726	10,380,456	9,079,321

The freight car surplus for the period March 15 to 22 showed an increase of 31,341 cars, to 213,093 cars, including 69,747 box cars and 115,361 coal cars. For the Canadian roads the surplus was 8,200 cars, including 5,500 box cars and 200 coal cars.

### Car Loading in Canada

Revenue freight loaded in Canada in the week ended March 22 amounted to 59,580 cars, an increase over the previous week of 2,195 cars, of which 2,114 cars were in the East and 81 cars in the West. The largest increases were recorded for merchandise l. c. l., 1,030 cars, and miscellaneous, 1,130 cars. The loadings were well above last year's loadings, showing an increase for the week of 12,332 cars, or 26 per cent. The cumulative totals to date are 621,559 cars for 1924 and 552,598 cars for 1923, an increase for 1924 of 68,961 cars, or 12.5 per cent.

Car loadings for the week ended March 22, by commodities, and for the previous week are as follows:

Commodity	Week ended March 22	Week ended March 15
Grain and grain products	7,466	7,702
Livestock	2,418	2,308
Coal	5,996	6,090
Coke	266	206
Lumber	4,081	4,573
Pulpwood	5,168	4,950
Pulp and paper	2,188	2,261
Other forest products	3,746	3,363
Ore	1,135	976
Merchandise l.c.l.	14,611	13,581
Miscellaneous	12,505	11,375
Total cars loaded	59,580	57,385
From connections	37,680	39,279
Loaded same week last year	47,248	46,961

THE BOARD OF TRUSTEES of John Fletcher College, University Park, Iowa, has conferred the honorary degree of Doctor of Divinity upon R. J. Kiker, general secretary of the Railroad Y. M. C. A. at Palestine, Texas.



# Pennsylvania Continues Operating Improvement

Return on Investment 4.01 Per Cent.—Does Not Show as Great Increase in Net as Neighbors

THE Pennsylvania continued in 1923 the gradual progress which, since the end of federal control, it has been making towards pre-war standards of operating efficiency and net return. The progress made in 1923 was substantial but by no means as spectacular as in the case of the New York Central or the Baltimore & Ohio systems.

The net railway operating income of the Baltimore & Ohio in 1923, as compared with 1922, showed an increase of 77 per cent. The increase shown by the New York Central was 31 per cent; by the roads in the eastern district as a whole, 41 per cent and by the Class I railroads of the country, 26 per cent. The increase in net operating income of the Penn-

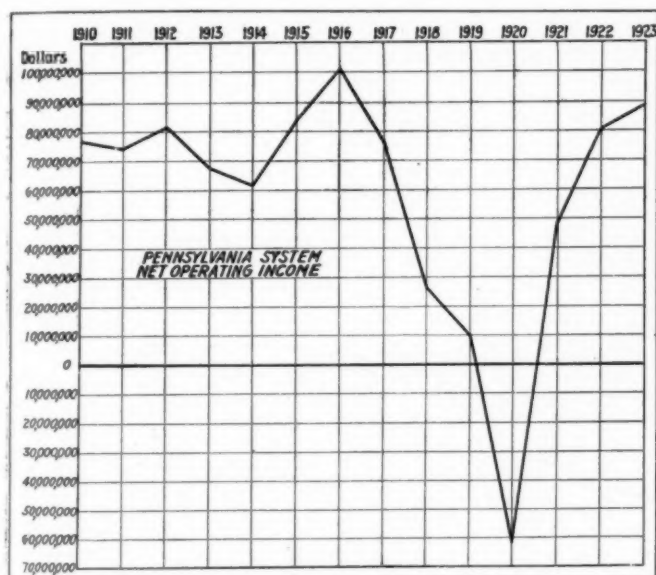
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more than in 1922 and equivalent to 10 per cent of all the freight service of the United States. Passengers carried one mile in 1923 increased 6 per cent over 1922 and the Pennsylvania passenger business was equivalent to no less than 17 per cent of all the passenger service of the road's of the country. During 1923 the Pennsylvania spent \$207,000,000 for material, supplies and fuel. It paid \$36,000,000 in taxes and \$423,000,000 in wages. The average number of employees on the payrolls during the year was 247,400. At the close of the year the company had 144,228 stockholders, an increase of 62.8 per cent in ten years.

OPERATING RESULTS—PENNSYLVANIA RAILROAD COMPANY

	1923	1922
Mileage .....	10,577*	10,601
Freight Revenues .....	\$502,698,606	\$439,528,929
Passenger Revenues .....	155,516,003	147,424,247
Total Revenues .....	721,397,409	646,352,108
Maintenance of Way Expenses .....	85,383,281	78,536,995
Maintenance of Equipment .....	188,577,704	167,127,562
Transportation .....	281,851,983	255,732,666
Total Expenses .....	590,518,030	534,118,684
Net from Operations .....	130,879,378	112,233,424
Net Operating Income .....	83,546,668	73,405,328
Non Operating Income .....	33,262,611	29,093,153
Gross Income .....	116,809,278	102,498,481
Deductions from Gross Income .....	65,271,200	70,116,423
Net Income .....	51,538,078	32,382,058

\* Total mileage of the Pennsylvania System is 11,690.



sylvania System in 1923 as compared with 1922 was only 10 per cent.

A convenient index of pre-war earnings is the standard return which was paid by the government for operations during federal control and which was based on the annual average net operating income of the three years ending June 30, 1917. The 1923 net railway operating income of the Baltimore & Ohio was equivalent to one and one-half times its standard return. The New York Central earned in 1923 a net, equivalent to one and one-quarter to one and one-third of its standard return. The Pennsylvania has so changed its operating and corporate structure that difficulty is offered in effecting an exact comparison between earnings in 1923 and those in the test period. However, it does appear in the case of the Pennsylvania that the 1923 net was equivalent to only slightly more than the standard return. The property investment accountable end of 1923, however, was 22 per cent greater than at the end of 1916. Thus far the increased investment has failed to yield an adequate return.

The importance that the Pennsylvania System plays as one of this country's leading transportation facilities is indicated by the fact that its total operating mileage approximates 11,800 and serves 12 states and the District of Columbia in which is located over one-half the total population of the country. The Pennsylvania System in 1923, carried 48,792,000,000 revenue ton-miles of freight, 20 per cent

The total freight revenues of the Pennsylvania System in 1923 totaled \$521,163,519, an increase of 14 per cent over 1922. Total revenues were \$775,254,218; an increase of 11 per cent. The operating expenses totaled \$633,944,606, or 10.6 per cent in excess of those for 1922. A substantial part of the increase in operating expenses was in transportation as a result of increased business, and in maintenance, particularly in maintenance of equipment. In connection with maintenance of way, the tons of new rail laid were more than in 1922 but less than in 1921 and the number of ties put in track was less than in either 1922 or 1921.

The net operating income of the system in 1923 was \$88,065,252 as compared with \$79,832,502 in 1922. The 1923 net operating income was equivalent to 4.01 per cent on the investment. The 1922 net was equivalent to 3.78 per cent on the investment. The road's net return in 1923 was the best for any year since 1917, in which year the earnings were equivalent to a return of 4.16 per cent.

The Pennsylvania's annual report which was released for publication on Tuesday of this week is, in many respects, an unusual document. It is interesting for its contrasts. The statement signed by President Samuel Rea is remarkable for its clearness and conciseness. The figures in the body of the report, however, are extremely difficult to follow. This results because the organization of the Pennsylvania is such as to necessitate the showing of figures for the Pennsylvania Railroad Company, itself, in addition to which there are also shown figures for the regional organization and figures for the system. Some idea of the result that is presented is given by the fact that the Pennsylvania Railroad operates 10,577 miles, inclusive of 67 miles of canal and ferry; the regional system embodies 11,086 miles, and the entire Pennsylvania System embodies a total of 11,690 miles. The figures are shown in the report in great detail for each of these three aggregations, which is difficult enough in itself and not helped by the fact that accounting requirements sometimes cause different figures to be shown for what purport to be the same things. Thus, it is a difficult task, for instance, to ascertain what really was the Pennsylvania's net operating income in 1923. On page 13 of the annual re-

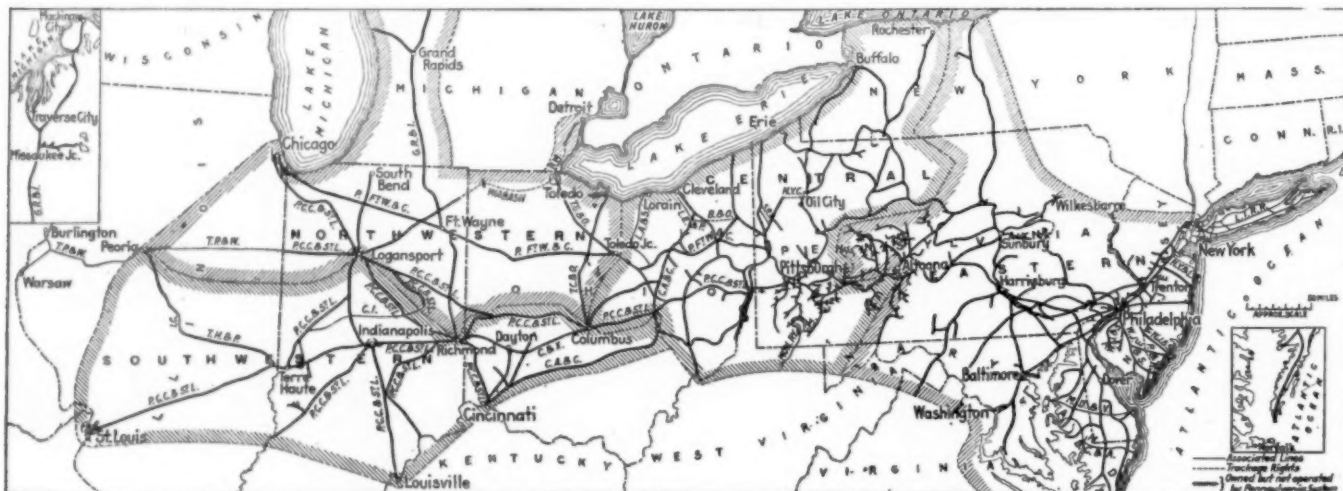
port there is shown a figure of net railway operating income for the Pennsylvania Railroad Company of \$83,546,668. On page 35 what purports to be the same thing is shown as \$83,545,404. In addition to these two figures, is shown the net operating income for the entire system on page 56 as \$87,926,850 but on page 59 as \$88,065,252. For the purposes of this article, the last figure has been taken.

In his statement to stockholders, President Rea has some unusually pertinent ideas, notably with reference to taxation, federal control, and the general railroad situation. Excerpts follow:

### Taxes

The demand for reduced taxation is country-wide. It is not a question of partisan politics, but a painful realization that high taxes have materially increased the living costs of all citizens. Railroad investors and managements earnestly desire to see a reduction in federal taxes, so as to assist in reducing the cost of living and governmental expenses, and hope that action along similar lines will be taken by the various states and municipalities. Such tax reductions should encourage continued business activity, which means steady employment and prosperity, and also should make available for investment in the railroads and other business enterprises funds which have been invested in tax-exempt securities to escape high surtaxes. The anticipated reduction in federal taxes does not promise any direct reduction in railroad taxes, but it is evident there should be some change in the basis of railroad

be clearly stated that the lines were returned to the company with wages and working conditions largely increased and fixed not only during the war period but after the war had ended, and entirely out of line with the rates and net operating results; with the efficiency and loyalty of the working forces seriously demoralized, and with the physical condition of the property inferior to that which existed at the beginning of federal control. This was the result of war conditions and of a system of centralized management at Washington, under which the policies, expenditures, wages, classification and organization of employees, working conditions and other features were dictated to meet the varying conditions as they appealed to the Railroad Administration. The responsibility for rectifying that situation at the end of federal control had to be assumed by your management. This was accomplished by increasing operating efficiency, enforcing economy and by getting co-operation from the public through the payment of increased rates. Notwithstanding the higher rates paid by the public, these unfavorable conditions, accentuated by the fall of traffic in 1921 and the strikes in the anthracite and bituminous coal mining industries, and the country-wide strike of the railroads' shopcrafts in 1922, entailed considerable sacrifice by the shareholders through the reduction in the rate of dividends. Prompt and reasonable settlements for the federal control period, such as those made by Great Britain with her railroads, probably would largely have averted such results. Fortunately, the improved results for 1923 have materially helped in adjusting the situation. With no disposition to cavil respecting a closed transaction, nor to suggest any lack of courtesy by the government officials in dealing with this important transaction, it is, nevertheless, the opinion of the management of your company that the



The Pennsylvania System

taxation. The taxes paid by your system amounted to \$36,000,000, compared with \$15,700,000 ten years ago, and the taxes paid by all the railroads of the country have been exceeding the dividends paid. In the past 11 years the tax burden of the railroads has increased over 150 per cent, while the annual amount paid in dividends during the same period has decreased about 15 per cent, notwithstanding the enormous increase in the traffic carried and the billions of dollars of additional capital spent to improve the properties and give a greater public service. Railroads should not be taxed like unregulated enterprises, which are free to fix their selling prices, wages and profits, while railroad rates and earning power are restricted, and their wages, working conditions and other expense items are regulated as the result of statutory requirements.

The "fair return" on their property in rate groups or districts, devoted to public use is limited to the low rate of 5¼ per cent per annum and when individual roads, or systems, earn over 6 per cent in any one year one-half of the excess must be paid to the government. They are, nevertheless, taxed in various ways, such as on their capital stock, gross earnings, net earnings, franchises, valuation, etc., and the aggregate taxes they pay are excessive compared to their total net revenues or net returns. If railroads are to be taxed like other corporations, then in equity they should be free to fix their rates, wages, and working conditions, and the existing restrictions of net returns should be eliminated. As that seems to be impossible under the existing policy of regulation, an equitable taxation basis must be evolved, so that the power of taxation shall not tend to destroy railroad credit.

Without any desire to unduly criticize governmental operations, or to minimize the responsibilities resulting from political and economic difficulties growing out of the great world war, it must

interpretations of the provisions of the Federal Control Act and contract by the government prevented the payment of an amount sufficient to properly reimburse your system companies for the taking of their property and equipment, and their necessary restoration to a condition equal to that when possession was assumed by the government. It is also felt that the 6 per cent rate of interest charged by the government on the collateral notes issued to effect final settlement for the balance due on improvements by the government to assist in winning the war, and charged at their high war costs against your system, might justly be reduced to a rate that more closely corresponds to the cost of money to the government.

### The Railroad Situation

From the standpoint of net returns there was a notable improvement in 1923, but the Class I railroads of the country had a net railway operating income equivalent to only about 5.10 per cent on the investment compared with 4.14 per cent in 1922. These returns should be considered by the public, who are depending upon railroad service, as clearly inequitable and inadequate to provide sound credit, and satisfactorily improve and expand the railroad lines, stations and equipment. This is especially the case in view of the fact that the returns are based on the tentative valuation used by the Interstate Commerce Commission for rate-making purposes, which is less than the investment shown in the carriers' books. With any certainty that the railroads, which are owned by the citizens and their institutions, will be given a chance to continue earning sufficient net returns to maintain sound credit, and freely to exercise their initiative and managerial skill, the public may be assured of a constantly higher plane of transportation service, and a continuance of the United States standard of



giving the most efficient and cheapest transportation service in the world, while paying the highest wages, and large amounts in taxes.

### Recapture

However, as heretofore stated, it is our conviction that such results cannot be continued under a policy of restrictive legislation and regulation, and returns even below the 5¾ per cent upon the investment in road and equipment fixed by law as reasonable, with provision for the recapture of one-half of any excess over 6 per cent, if a railroad system or corporation should exceed that return in any year. The exercise of this recapture provision on one year's results, and without any plan by which the deficiencies of prior or subsequent years can be made up, is also bound to prove unsatisfactory. Railroad investors, railroad employees and those dependent to a large extent upon materials and supplies consumed by the railroads, and on the service and trade of the railroads, should, in their own interest, continuously keep this situation before those who are responsible for federal and state legislation and regulation affecting railroads. The country maintains a contradictory transportation policy which the business men and citizens as a whole apparently have not, as yet, fully appreciated. On the one hand, railroads have not been allowed freedom to earn a fair return on the investment in the railroads, equipment and facilities which their owners have provided for public use and benefit, while, on the other hand, hundreds of millions of dollars are appropriated for highways, waterways and other improvements which have a relation to transportation, but their cost must be borne by the taxpayers, including the railroads. It is equally contradictory to find that, while the other provisions of the Federal Transportation Act of 1920 can be enforced, the 5¾ per cent return upon the value of the railroad property, fixed as a fair return for railroads, has not been realized by over \$1,000,000,000 since the act was passed.

### Only 100 New Freight Cars

In 1923 the Pennsylvania System increased its road and investment account in the amount of \$84,381,518 of which a large share was for equipment. There were added in 1923, 536 locomotives of which 424 were for freight service, and also 295 new passenger cars. It is of interest that the only freight cars acquired during the year were 100 caboose cars. The Pennsylvania has, however, recently placed orders for 12,000 car bodies.

### Earns 8.29 Per Cent on Stock

The Pennsylvania is so conservatively capitalized and the value of its property so much in excess of the capitalization that, although it earned but slightly over 4 per cent on its property investment in 1923, it earned the equivalent of 8.29 per cent on its capital stock, on which it now pays 6 per cent dividends. Net income in 1923 was \$51,538,078. From this there was deducted \$3,498,243 for sinking funds and \$6,681,048 in connection with the federal settlement. This left a balance of \$41,358,787. The six per cent dividends totaled \$29,950,404. Whereas on December 31, 1922, the Pennsylvania had a profit and loss credit of \$42,398,464, on December 31, 1923, this had been increased to \$58,063,423.



P & A

Railway Station at Salina Beach, Cal.

## Railroad Legislation

WASHINGTON, D. C.

Now that the furore of senatorial investigations has somewhat subsided more attention is being paid to matters of legislation, including proposed railroad legislation. The Senate committee on interstate commerce has been very busy, and the Senate last week passed two railroad bills and a resolution. At its meeting on Wednesday, April 2, the committee on interstate commerce decided to begin hearings on April 9 on the various bills which have been referred to it to repeal or amend section 15a of the interstate commerce act, with particular reference to the La Follette bill, and at an executive session preceding the hearing it will consider the various bills to abolish the surcharge. Senator Cummins has proposed two amendments to the surcharge bill, one a proviso that the provisions shall not have the effect of increasing freight rates or ordinary passenger fares, and another that they shall not apply to roads which for last year had a net return of less than 5½ per cent.

On March 27 the Senate passed the bill, S.2704, to amend section 16, paragraph 3 of the Interstate Commerce act, to extend the time within which shippers may file claims against railroads for overcharges, from two to three years, to make the period correspond to the time allowed the carriers for filing claims for under-charges. The bill also carries a provision under which the period may be extended to include six months from the time notice in writing is given by the carrier of disallowance of the claim.

The Senate also passed on March 28 a bill, S.1499, introduced by Senator Harris of Georgia and favorably reported by the committee on interstate commerce, providing that on and after 30 days after the passage of the act it shall be unlawful for a common carrier to use a car other than a steel or steel underframe car, between steel cars or steel underframe cars, or in front of any steel car or steel underframe car, in any train used in whole or in part for the transportation of passengers. The bill provides a penalty of from \$100 to \$500 for each offense and \$100 for each day of the continuance of the offense. Passage of such a bill had been recommended in a letter from the Interstate Commerce Commission saying that such legislation would not entail any additional expenditure but would increase safety.

Senator Dill of Washington has introduced a bill, S.2951, to amend section 15a of the interstate commerce act by adding a new paragraph as follows: "The commission shall ascertain and report to Congress annually the 100 per centum assessed valuations, in each county of the several states and in the District of Columbia, of all the property owned or used by any such common carrier for the purpose of a common carrier, as finally determined by the state, county or municipal authorities for purposes of taxation. In fixing the value under this section of all the property owned or used by a common carrier, the commission shall give to such assessed valuation the controlling factor in determining the valuations to be used as the basic valuation for rate-making purposes as provided."

On March 28 the Senate passed practically without debate a resolution introduced by Senator Dill, for the purpose, he said, of having the information before the committee on interstate commerce when it takes up the consideration of the valuation question, directing the Interstate Commerce Commission to ascertain from the proper authorities of each state the assessed valuation for taxation purposes for the year 1923 on a 100 per cent basis, of all the property of each of the railroads of the United States acting as common carriers, whether used for the purposes of common carriers or not, which are under the control of the Interstate Commerce Commission, and report the information to the Senate. The resolution also contains a proviso that the report shall show separately the total valuations for taxation purposes on a

100 per cent basis of the property of each railroad company or system, the total of such valuations by states and the total for the United States.

The Senate committee on interstate commerce on March 28 submitted a report to the Senate on S. J. Res. 107 as authorized by the committee at its meeting on March 26. The report says:

"Congress having delegated to the Interstate Commerce Commission the power to make rates, it was thought unwise to attempt to dictate any specific rate, but to direct the commission that in the exercise of its rate-making power that the products of agriculture should carry the lowest rate in the rate structure. This is because the products of agriculture are the prime essentials in the economic structure of organized society. These products are produced under circumstances that do not permit the producer to pass the charges incident to their marketing to the consumer.

"The agriculturist pays the freight upon what he buys and sells. It seems, therefore, but just that provision should be made to make his burden as light as possible, especially upon the things he produces."

As amended by the committee, the joint resolution reads as follows:

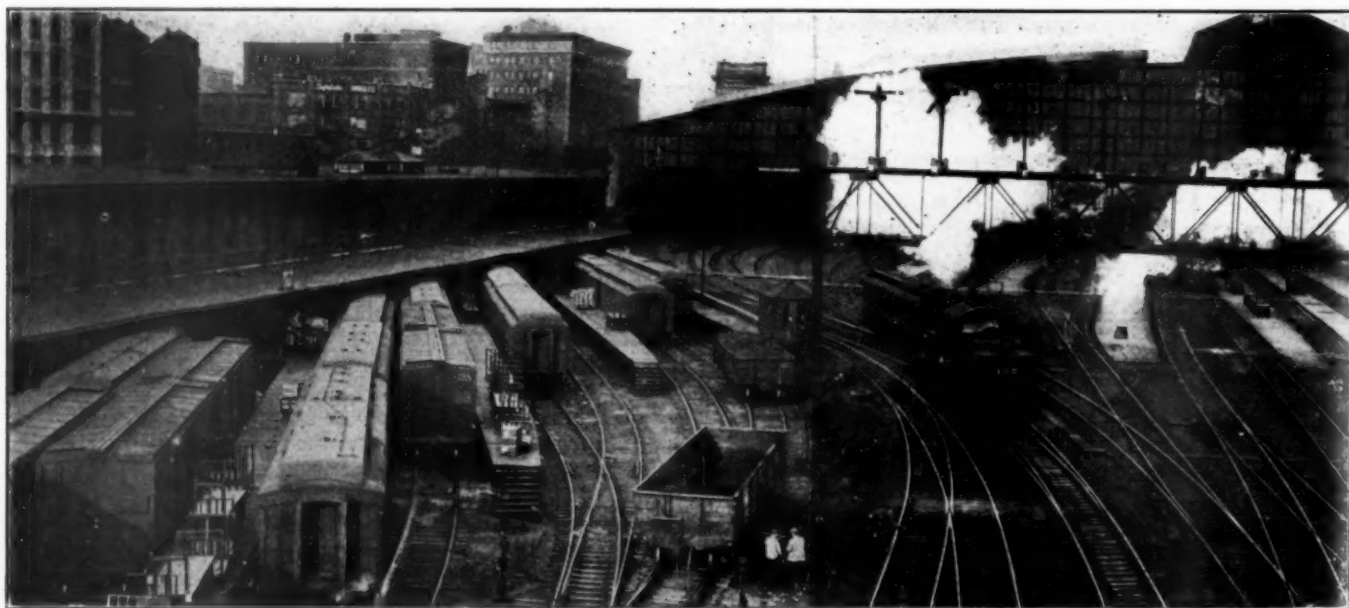
*Resolved, etc.,* That agriculture is hereby declared to be the basic industry of this country; and that it is the policy of Congress to promote, encourage, and foster the agricultural industry, in furtherance of which the Interstate Commerce Commission is hereby directed, with the least practicable delay, to effect such lawful changes in the rate structure of the country as will promote the freedom of movement by common carriers of the products of agriculture, including livestock, at the lowest possible rates: *Provided,* That no investigation or proceeding resulting from the adoption of this resolution shall be permitted to delay the decision of cases now pending before the commission involving rates on products of agriculture, and the policy herein stated shall be applied in such determination as soon as possible.

The House committee on the judiciary has favorably reported a bill H.R.4168, introduced by Representative Dyer, to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express

packages or baggage or articles in process of interstate transportation, and the "felonious transportation of such freight or express packages or baggage or articles" into another district of the United States and the felonious possession or reception of the same.

Senator Dill has also introduced a bill, S.2953, directing the Postmaster General to place at least one employee of the railway post-office service in all baggage and express cars in which more than seven feet of space is rented for the storage and handling of United States mail and to pay to the railroad company at the same rate as is paid for the space of the railway post office service. It is also provided that where less than seven feet and more than three feet of space of any baggage or express car is rented for storage or closed-pouch mail, the railroad company carrying the mail shall pay to the baggage or express employees in charge of such mail 50 per cent of the extra pay received by the railroad for closed pouch service as compared with the pay for railway post office space, and the Interstate Commerce Commission would be directed to enforce this provision of the law by appropriate action toward the railroad companies which carry the mail.

The House committee on interstate and foreign commerce has not yet given much consideration to any strictly railroad bills, but it was to begin a hearing on April 3 on the Hoch bill directing the Interstate Commerce Commission to readjust the rate structure. On April 1 it concluded hearings on H. R. 5836, introduced by Representative Cooper, to amend the boiler inspection act. The bill would increase the salary of the chief inspector of locomotive boilers from \$5,000 to \$7,500; the salaries of assistant chief inspectors from \$4,000 to \$6,000, and the salaries of the district inspectors from \$3,000 to \$3,600. It would also authorize the Interstate Commerce Commission to appoint additional inspectors and provide that the amounts directly appropriated to carry out the provisions of the locomotive inspection act shall not exceed \$500,000 for any year. The present law limits the appropriations for a year to \$300,000. Commissioners Esch and McManamy and Chief Inspector Pack of the commission, and H. E. Wills of the Brotherhood of Locomotive Engineers, testified in support of the bill.



Keystone

South Station, Boston



# Forecasting Future Volume of Railway Traffic\*

## A Consideration of Mr. Blood's Formula Leads to Estimates That Are Too Large

By L. E. Peabody  
National Transportation Institute

AN INTERESTING article by John Balch Blood in the *Railway Age* of February 9 includes much objection to the prediction of railway traffic on the basis of time. The importance of a prediction is admitted and the necessity for a logical method is stressed by Mr. Blood. He concludes that ton-mileage is essentially a function of population and states that "the functional relation of ton-miles to population for prewar normal as,

$$TM = \frac{2.57 P^{3.05}}{10^4}$$

Where TM = ton-miles per annum in billions,  
P = population of continental United States in millions."

Referring to exponent 3.05, Mr. Blood says, "Accurate calculations should use this figure, but it is so close to the unit 3 that for all except the most careful work the integer three could be used and be well within the errors of original observations of supporting data." Upon the following page the ton-mileage for 1933 is estimated as 717 billions by Mr. Blood.

Taking the formula for ton-mileage just given and using the exponent 3 as suggested by Mr. Blood, we find

$$P = 15.73 (TM)^{\frac{1}{3}}$$

If we use Mr. Blood's estimate of ton-mileage for 1933, 717 billions, in the above formula we arrive at a population of 141 millions for 1933. The population of the continental United States for 1920 is given by the Census Bureau as 105,710,620.

The use of Mr. Blood's formula would mean then an increase in population of 2.54 per cent per annum during the period 1920-1933, or an increase of 25.4 per cent during the decade 1923-1933.

### Testimony of Director of the Census

Dr. Joseph A. Hill, assistant director of the Census, has recently pointed out† that population growth from 1790 to 1860 was approximately at the rate of 35 per cent per decade. The decennial rates of increase were for the decades ending

1870 .....	26.6 per cent
1880 .....	26.0 per cent
1890 .....	25.5 per cent
1900 .....	20.7 per cent
1910 .....	21.0 per cent
1920 .....	14.9 per cent

I quote Dr. Hill as follows, "Noting that the United States has passed through a period of 35 per cent increase lasting 70 years, followed by a period of 26 per cent increase lasting 30 years and then by a period of 21 per cent increase lasting 20 years, one wonders whether the decade just completed and which shows an increase of 14.9 per cent inaugurates a 15 per cent period. I should not be surprised if it did. At any rate, considering the evident intention of Congress to restrict immigration or possibly stop it altogether—an intention which, I think, public sentiment supports—and considering

\*The original article in the present discussion was written by John Balch Blood, valuation analyst of the Interstate Commerce Commission and appeared in the *Railway Age* of February 9, 1923, page 369. It was discussed in the Letters to the Editor column of the *Railway Age* by J. Rowland Bibbins, issue of March 1, page 490 and by Julius H. Parmelee, director of the Bureau of Railway Economics, in the issue of March 15, page 731.

also the tendency toward smaller families and a lower birth rate on the part of the native population, I will chance the prediction that we are not very soon coming back to the 21 per cent increase of the preceding period."

Again taking Mr. Blood's formula and setting  $\Delta TM$  = increase in ton-mileage,  $\Delta P$  = increase in population, we arrive at the following relation

$$\frac{\Delta TM}{TM} = 3 \frac{\Delta P}{P} + 3 \left( \frac{\Delta P}{P} \right)^2 + \left( \frac{\Delta P}{P} \right)^3$$

Dividing both sides of the last equation by  $\frac{\Delta P}{P}$ , it becomes

$$\frac{\frac{\Delta TM}{TM}}{\frac{\Delta P}{P}} = 3 + 3 \frac{\Delta P}{P} + \left( \frac{\Delta P}{P} \right)^2$$

$\frac{\Delta P}{P}$  is less than .02 from 1910 to 1920, as Mr. Blood points out at the beginning of his article, and if we use his average of .0143, the ratio  $\frac{\Delta TM}{TM} \div \frac{\Delta P}{P}$  to  $\frac{\Delta P}{P}$  is 3.05.

The following tabulation shows clearly that no dependence may be placed upon this exponent. It varies from —18.10 to 15.35, a total variation of 33.45, within the years 1910-1920. This variation is about eleven times the value of the exponent itself and indicates its fragility as a basis for prediction.

The figures for population are those of the National Bureau of Economic Research, used by Mr. Blood, and are for June 30 of the years given. The unit of ton-miles is billions; of population, thousands.

Year	TM	P	TM	$\Delta P$	$\frac{\Delta TM}{TM}$	$\frac{\Delta P}{P}$	$\frac{\frac{\Delta TM}{TM}}{\frac{\Delta P}{P}}$
1909.....	219	90,370	36	1,859	.141	.0201	7.01
1910.....	255	92,229	36	1,859	.141	.0201	7.01
1911.....	254	93,811	—1	1,582	—0.004	.0169	— .24
1912.....	264	95,338	10	1,527	.038	.0160	2.38
1913.....	302	97,278	38	1,940	.126	.0199	6.33
1914.....	289	99,194	—13	1,916	—0.045	.0193	— 2.33
1915.....	277	100,428	—12	1,234	—0.043	.0123	— 3.50
1916.....	344	101,722	67	1,294	.195	.0127	15.35
1917.....	398	103,059	54	1,337	.136	.0130	10.46
1918.....	409	104,182	11	1,123	.027	.0108	2.50
1919.....	367	104,847	—42	665	—0.114	.0063	—18.10
1920.....	414	106,357	47	1,510	.114	.0142	8.03
Total .....							27.89
Average .....							2.54

The ratio in the last column shows extremely wide variations during the period 1910-1920, having—18.10 as its least value in 1919 and 15.35 as its greatest value within these eleven years. The average, of course, can mean little; but it will be 2.54, which is 20 per cent less than the figure obtained from Mr. Blood's formula.

If it be objected that the increments of ton-miles and population taken for one year are for too short a length of time, the ratio for a longer time is even worse; being 3.48 if the

†Some results of the 1920 Population Census, Jour. Am. Stat. Assoc., Sept., 1922.

increments be taken for the period 1910-1920 and 4.24 if the increments be taken for the period 1900-1919.

Mr. Blood considers the estimate of 560 billions of ton-miles for 1933 recently given by "a prominent authority" as much too low and adds, "Our statistics should be our aids. We should not outrage them by our preconceptions, prejudices or fears. If factors of experience carefully and skillfully deduced present certain conclusions, we should use such in our consideration and not mutilate them. . . . And so I ask that this problem be considered with courage, competence and skill and not be clouded by the timid and fearful. Civilization, industry and railroads have shown a large and continuous increase, and without ample reason otherwise, we must expect the same result in the future following similar conditions."

It is submitted that the use of Mr. Blood's estimate of 717 billions of ton-miles for 1933 gives a population that is unwarranted in the view of census experts and that his formula for ton-mileage is unsuitable for the prediction of future traffic.

The estimate of 560 billions for 1933, above quoted, rests upon a careful consideration of population increase and of ton-miles per capita. What the future traffic of the railways of the United States may be no man may say, but any prediction within range would seemingly rest upon a more stable foundation than that suggested in Mr. Blood's article in the *Railway Age* of February 9.

As still another check upon Mr. Blood's estimate of ton-mileage for 1933, I shall consider the tons originating and their relation to the average haul. Tons originating have shown the following growth:

1890	274 millions
1900	583 millions
1910	1025 millions
1920	1363 millions
1921	1017 millions
1933 (Estimated)	1704 millions

It is seen that tons originating doubled with the period 1890-1900 and nearly doubled again from 1900 to 1910. Since 1910 the increase in tons originating has been much smaller, slightly less than 33 per cent. The above estimated increase in tons originating for the period 1920-1933 is about 25 per cent.

If we take the estimate of 560 billions of ton-miles for the railways of the United States for 1933, the average haul would be 331 miles. With Mr. Blood's estimate of 717 billions of ton-miles for 1933, the average haul would be 421 miles.

The average haul has been as follows:

1900	243 miles
1910	250 miles
1920	308 miles

The average haul thus increased about 3 per cent during the period 1900-1910, and 23 per cent during the period 1910-1920.

Mr. Blood's estimate of ton-mileage would mean then, an increase of about 37 per cent in the average haul from 1920 to 1933. The annual increase in the average haul from 1910 to 1920 was 5.8 miles; from 1900 to 1910, about 0.7 miles. The large increase of the decade ending 1920 is partly due to the spur of war conditions. The figure arrived at above for the average haul 1933 means an annual increase of about 2 miles per year from 1920 to 1933; Mr. Blood's estimate would mean an increase of about 9 miles per year for the period 1920-1933, which figure is larger than has ever been experienced and almost double the increase from 1910 to 1920, a period of unusual traffic conditions. It should be remembered in this connection, that the average haul declined from 256 miles in 1890 to 243 miles in 1900,<sup>†</sup> and in the opinion of many railroad men the average haul will continue to increase slowly.

<sup>†</sup>Ton-miles 1890, 70,172 millions; tons originating 1890, 274 millions; from the 11th Census Reports.

## Extensive Duties of Accounting Department

THE WIDE SCOPE of the work of a railroad accounting department, made necessary by governmental reports in addition to ordinary accounting duties, was explained by E. T. Dakin, general auditor of the Northern Pacific, in a statement which appeared in newspapers in the northwest on March 24. Of the 4,836 Northern Pacific employees in St. Paul and Minneapolis, 650 are in the accounting department, Mr. Dakin stated. An abstract of his statement follows:

The work of the accounting department consists of three things—(1) auditing; (2) accounting, and (3) statistical work. We handled in 1923 nearly 6,500,000 shipments. Several less-than-carload shipments appear on one waybill, hence we handled nearly 3,000,000 waybills. It is up to us to see that every one of these 3,000,000 waybills carries the correct rates and charges; that every waybill is accounted for; that agents are charged with the correct revenue on all local and interline received waybills; that foreign lines are credited with their earnings that we collect, and charged with our earnings that they collect; and that the correct amount of cash settlement is made with each road.

We handle nearly 5,000,000 passengers a year. Our job is to see that each one of these 5,000,000 services is charged for at the correct amount; that every ticket and cash fare is accounted for; that agents are charged with correct revenue on all local and interline sales; that foreign lines are credited with correct proportions of earnings that we collect, and are charged with our earnings on what they collect; and that the proper amount of cash settlement is made with each road.

In our overcharge claims office we investigate all claims for overcharges and station relief. These number over 50,000 a year.

We have over 30,000 employees on the rolls most of the time who must be paid promptly twice a month. Our job is to see that the evidence is complete showing that each employee rendered the service he is paid for and that he gets his proper amount. All other debts are paid on vouchers of which we handle 60,000 a year. Then we render 40,000 bills a year against other persons and companies for services we perform other than hauling freight and passengers, and we must see that a bill is made to cover every such service and that the amount is correct and is paid promptly by the person or firm owing for it.

The capital expenditures office handles all accounting in connection with additions and betterments to the property. Expenditures are authorized by the president through forms known as authority for expenditure. About 2,000 of these authorities are issued each year involving an annual average capital expenditure of \$12,000,000.

The thousands of transactions are concentrated in the general accounts office. Here the general books of the company are kept and in the general ledger all the thousands of transactions which have occurred along this railroad throughout the year are condensed. From this book we make the income account, balance sheet and numerous other condensed statements of the company's affairs.

Another branch of our work is statistical. The Interstate Commerce Commission and the state commissions require us to file monthly and annual reports and numerous special reports. Statistical reports are being used more and more in deciding rate questions. The law department frequently requires special statements of earnings or expenses in connection with lawsuits. The operating, traffic, mechanical and other departments are constantly calling upon us for reports and studies of revenue and cost data. We make literally hundreds of these reports every year.



## General News Department

The Interstate Commerce Commission has granted a petition of the New Orleans Great Northern for a modification of its train control order of January 14, 1924, exempting that road from compliance therewith.

The Western Railway Club will hold its annual meeting on Friday evening, May 23, at the Edgewater Beach hotel, Chicago. Fred W. Sargent, vice-president of the Chicago & North Western, will be the speaker of the evening.

One span of the bridge of the Western Maryland over Willis Creek, Cumberland, Md., was carried away by a flood on March 31, together with 20 carloads of sand which had been placed on the bridge in the hope of keeping it in place.

A freight train of the Baltimore & Ohio broke through a bridge near Newark, Ohio, on March 29, and the locomotive and eight freight cars fell into the stream. Four trainmen were killed. The failure of the bridge is said to have been due to a flood.

At Woodford, Va., on the Richmond, Fredericksburg & Potomac on April 2, the southbound Florida Special of the Atlantic Coast Line was derailed and the locomotive was overturned. The engineman was killed and the fireman was injured. Eight coaches left the rails.

The Dixie Limited southbound, of the Chicago & Eastern Illinois, was derailed at Cayuga, Ind., on March 29, the engine and first two cars being thrown off the track at the derailing switch approaching the crossing of the New York, Chicago & St. Louis. Three employees were slightly injured.

The Central Railway Club will hold its next meeting at Hotel Statler, Buffalo, N. Y., on Thursday evening, April 10. George A. Pray, agent of the New York Central, will read a paper on the motor truck as an adjunct to the freight car, and J. T. Smith, Buffalo manager of the Trunk Line Inspection Bureau, will read a paper on the work of that bureau.

The Railroad Problem—the whole broad question as it affects the individual citizen—was the subject of a lecture by Charles Frederick Carter, of the New York Central, before an audience of high school pupils at Rochester, N. Y., on March 28, under the auspices of a committee of citizens. It was one of a series of five lectures, covering electric railways and various public utilities, all of which are made a part of the regular high school course in civics. The lectures are to be repeated at other high schools in Rochester, and all of them are prepared in a style calculated to be instructive to youthful audiences.

The Interstate Commerce Commission has issued a press notice referring to an article published in a bulletin issued by the National City Bank of New York which said that the commission had recently published additional statements regarding the tentative valuations found for certain railroads, including the Chicago & North Western, the Chicago, St. Paul, Minneapolis & Omaha, the Chicago, Milwaukee & St. Paul and the Texas & Pacific. The commission has not found tentative valuations for the roads stated, the notice says, and it has published no such figures as appear in the article, nor statements concerning these carriers.

### The Statesboro Northern Railway

This is the name of a company which has been formed (and which has applied to the State of Georgia for a charter) in the interest of the Georgia & Florida Railway for the purpose of operating a part of the line of the Midland Railway, which has discontinued operation. It is proposed to run trains from Statesboro northwestward 40 miles to Stevens Crossing, and thence

three miles over the Georgia & Florida northward to Midville. Stevens Crossing, the junction of the two roads, is 60 miles south of Augusta. The remainder of the Midland Railway eastward from Statesboro to Savannah apparently is not covered in the new arrangement. The towns on the Statesboro Northern will be Statesboro, Colfax, Bland, Portal, Aaron, Miley, Garfield, Canoochee, Matlee and Stevens Crossing.

### Time Zones Again Modified

The Interstate Commerce Commission has modified its standard time zone order so as to include that part of the Zanesville branch of the Pennsylvania west of Lancaster, Ohio, to Morrow, Ohio, inclusive, within the Eastern time zone for operating purposes only. The branch lies partly within the Eastern and partly within the Central time zones and certain train crews operate through Lancaster, Ohio, on the boundary line between the zones.

### Manitoba and Saskatchewan Want

#### Hudson Bay Railway

A deputation representing the provinces of Manitoba and Saskatchewan waited upon the Dominion government this week urging the completion of the Hudson Bay Railway. They urged that the Government, in addition to rehabilitating that part of the line already built but allowed to fall into decay, should vote the money necessary to extend the line to Port Nelson on Hudson Bay. They did not press for expenditures on the harbor facilities at Port Nelson, it evidently being their feeling that the only service that can be rendered by the road is in opening the fertile country in the Nelson Valley, and that expenditure at this time on the navigation features of the much mooted Hudson Bay project, as an outlet for Western grain to Liverpool, may not be advisable.

### Rumor of Return of Sir Henry Thornton

#### to England Quickly Quieted

A flurry was caused in government circles in Ottawa last week with the publication of a cable from London, England, to the effect that Sir Henry Thornton, president of the Canadian National Railways, was to return to England to take over the direction of the London, Midland & Scottish Railway. The report brought prompt and vigorous denials from all concerned. Sir Henry, who was on his way from Montreal to New York, sent a dispatch from his train at Rutland, Vt., saying he had no knowledge of such a report. George P. Graham, Minister of Railways and Canals, said, "It is a very nice rumor but it does not happen to be true. He could go if he wanted to go—we could not prevent him—but he has no intention of leaving the position in this country he is so ably filling."

### Freight Claim Division

The first two days of the annual meeting of the Freight Claim Division of the American Railway Association, which will be held at New Orleans, La., on April 15 to 18, will be devoted to claim prevention and the second two days will be taken up with general business, rules of order and freight claim rules. The portion of the program of the annual session assigned for the consideration of loss and damage prevention subjects will include the report of the committee on freight claim prevention and the discussion of carload damages, damage to fresh fruit and vegetables, defective equipment, public relations between territorial freight claim conferences and the shipping public and an open discussion of general prevention matters.

The Chicago Claim Conference will hold its annual meeting at the same place and time, the members leaving Chicago at 12:30 p. m. on April 13 on a special train which will be run as the second section of the Panama Limited of the Illinois Central, and

will arrive at New Orleans at 11 o'clock the following forenoon. The committee on arrangements for this train and for the meeting of the Chicago Claim Conference consists of P. C. Archer, chairman of the conference and general claim agent of the Chicago & Alton; J. D. Shields, vice-chairman of the Chicago Claim Conference and freight claim agent of the Chicago, Burlington & Quincy; G. W. Loderhouse, secretary-treasurer of the Chicago Claim Conference and assistant freight claim agent of the Chicago, Milwaukee & St. Paul; A. R. Breidenstein, freight claim agent of the Illinois Central and C. G. Richmond, superintendent of stations and transfers of the Illinois Central.

#### C. P. R. at the British Empire Exhibition

The Canadian Pacific will present a display of its activities and of Canadian natural resources and industry at the British Empire Exhibition to be held in Wembley beginning April 23 and continuing until October. The ground floor of the building will provide 7,700 sq. ft. of area around which will run a 400-ft. frieze illustrating the Canadian Pacific route from Great Britain across the Atlantic through Canada, thence across the Pacific to Japan and China. In this diorama will be moving models of Canadian Pacific steamships, mechanically driven and illuminated. The train service across Canada will be depicted by two trans-Canada trains, each consisting of a locomotive and eight coaches. An electric lighted map of Canada, 40 ft. by 12 ft., will show where the natural resources and production of Canada are located. A Japanese life scene including models of houses, bridges, streets and other sights will also be shown, as well as a fruit orchard in British Columbia. Moving pictures will be projected daily and native wild animal life will be displayed throughout the building.

#### Debate in Commons on C. N. R. Branch Line Bill

No sooner had George P. Graham, Minister of Railways and Canals, of Canada, moved in the House of Commons on Tuesday of this week his 26 separate resolutions for bills to provide for the construction, on a 3-year plan, of 26 Canadian National Railways branch lines, than different members of the House got to their feet to pick holes in the program. The first critic of the program was H. H. Marler, a Montreal member who expressed his admiration for the Canadian Pacific and the belief that the financial position of the Canadian National did not warrant any expenditure on branch lines at this time. Another member from Quebec, J. J. Denis, objected to the bill because so little was proposed for Quebec and so much for the Western provinces. A number of Western members (Progressives) including their leader, Robert Forke, spoke strongly in favor of the program. After a considerable debate it is expected that, with party lines broken down, the program will be carried on to the Senate where the real battle for their survival will begin. A committee of the Senate will deal with them this year.

#### I. C. C. and Labor Board Appropriations for 1925

Appropriations for the work of the Interstate Commerce Commission for the fiscal year ending June 30, 1925, amounting to \$4,262,284 were recommended by the House committee on appropriations in reporting the independent offices appropriation bill. This is \$641,576 less than was appropriated for the present fiscal year and also less than the commission's estimate of its needs for 1925. The committee, however, made provision, as requested by the commission for the payment of salaries to the heads of its various bureaus in excess of the \$7,500 maximum authorized by the federal classification act, and recommended annual salaries of \$10,000 each for the chief counsel, director of finance and director of traffic and of \$9,000 each for the director of valuation, supervisor of land appraisals, supervising engineer and supervisor of accounts in the bureau of valuation. The appropriations recommended include \$139,500 for the salaries of commissioners and secretary, \$2,148,000 for the general appropriation for the work of the commission, \$375,000 for the work under the safety appliance acts, \$250,000 for work under the boiler inspection act, \$647,260 for valuation, and \$125,000 for printing. At the hearing before the committee Commissioner Lewis said that the appropriation allowed for valuation would require that the work be greatly curtailed. He spoke of the necessity for valuation in connection with section 15 and Commissioner Esch gave a rough estimate that for 1923 the government's share of excess earnings to be re-

captured would be about \$36,000,000. He said there were some eighty carriers whose accounts on their face indicated that they might be subject to recapture.

The committee also recommended an appropriation of \$322,200 for the Railroad Labor Board.

#### Program of Transportation Division, A. R. A.

The reports of several committees will be considered at the annual meeting of the Transportation division of the American Railway Association at the Hotel Traymore, Atlantic City, N. J., on Wednesday, April 30, probably the most important of which is that of the Committee on Car Service. Since the termination of federal control, the revision of the car service rules has been a subject of active discussion. Through the rules which are now in effect the largest volume of traffic in the history of the railroads of the United States was handled during 1923 without a car shortage of any consequence. While this record indicates that the rules are adapted to the general requirements, the roads were invited to submit suggestions, criticisms or recommendations to determine whether they had developed any fundamental weaknesses in the rules. A number of suggestions have been received which were considered by the committee. Most of these were found to relate mainly to local conditions which could be handled satisfactorily under existing rules. Some of the suggestions, however, involved fundamental principles, consideration of which has not yet been completed. The committee, therefore, recommended no changes in the rules.

Another report which will receive special consideration is that of the Committee on Freight Handling Service which includes the revision of the rules governing the receipt, handling and delivery of less than carload freight and the revision of methods for storing flour and other grain products in sacks. The revised rules for the handling of l.c.l. freight are recommended for adoption and publication in a pocket-sized pamphlet for distribution among employees. The methods for the storing of flour and other grain products are illustrated in an exhibit which will be presented with the report.

Among other committees which will report are those on railroad business mail; records; and demurrage, storage, reconsignment and diversion.

#### New Haven Trying Out New Seating Arrangement in Suburban Cars

The New York, New Haven & Hartford has placed in suburban service out of New York two cars which have been remodelled to increase their seating capacity, by seating three persons on one side of the aisle and two on the other. Each of the cars has a different seating arrangement, one having reversible seats, as in the standard day coach, while in the other car the seats are back-to-back and fixed, similar to the seats in a Pullman sleeping car. The seating capacity of the standard day coach which has been in use on the New Haven is 75. Under the re-arrangement of seats, the car with reversible seats will accommodate 104, an increase of 29 seats; the car with fixed seats will have 33 additional seats, or 108.

The train on which these cars are in service has been running at the 10-car limit, with a seating capacity of 750 and there have been daily from 50 to 60 passengers standing. It is not practicable to increase the number of cars on the train. However, with the substitution of the two remodelled cars the company expects every passenger will have a seat. Explaining the necessity for this step, J. A. Droege, general superintendent of the company, said:

"At the present time there are approximately 100,000 passengers a day in and out of Grand Central Terminal. About 48 per cent of these use the New Haven, and of the latter approximately 25,000 are commuters; and from 13,000 to 14,000 of these travel within a two-hour period.

"About three years ago we reached the saturation point during the commuter hours. In spite of that we have since added two trains, which are really over and above the number which can be most efficiently operated. Therefore the company has arrived at the only possible present solution of the problem, which is to increase the capacity of some of the cars. While the problem of taking care of the rapidly increasing suburban travel is one that must be met and solved, presumably by the several governmental commissions now working on it, with such assistance as the railroads can render, the expedient of increasing the seating capacity



of some of the suburban coaches seems the only solution which will relieve the situation in the interim."

Mr. Droege pointed out that the New York Public Service Commission's standard seating space is 17.78 in. In the car with the back-to-back arrangement, passengers on the three-seat side will have 17.42 in. of seat space, and on the two-seat side 16.75 in. In the reversible-seat coach, the figures are 17.25 and 16.875 in. respectively.

### Canadian Roads Make Favorable Showing in February

The earnings of the Canadian Pacific for February fell only slightly below those of the preceding month, whereas in 1923 there was a drop of nearly \$2,000,000 in gross and nearly \$200,000 in net.

Earnings for the month of February compare with those of the corresponding month last year as follows:

	February		
	1924	1923	Incr.
Gross	\$13,083,123	\$11,159,864	\$1,923,258
Oper. exp.	12,005,273	10,664,371	1,340,901
Net	\$1,077,849	\$495,493	\$582,366

The results for the first two months of the year compare, as follows:

	Two months ending February		
	1924	1923	Incr.
Gross	\$26,475,555	\$24,608,779	\$2,166,775
Oper. exp.	24,537,305	23,093,258	1,444,046
Net	\$1,938,249	\$1,215,519	\$722,729

For the first time in the history of combined operation of the Canadian National Railways the system passed March 1 with a surplus instead of a deficit for the two months. "It will be observed," says an official statement issued in Montreal, "that an increase in gross revenue of \$1,728,191 in the month of February has been accompanied by a decrease in operating expenses of \$774,695, resulting in an improvement for February of \$2,502,886. For the first two months of the year an increase in gross revenue of \$1,433,778 has been accompanied by a decrease in operating expenses of \$2,098,650 and these two months show a net profit of \$262,376, as compared with a deficit of \$3,270,052, making an improvement for the first two months of 1924, as compared with the same period last year, of \$3,532,428.

Gross earnings, operating expenses and net earnings for the month of February and for the combined months of January and February this year, compared with the same periods in 1923, are as follows:

	February, 1924	February, 1923
Gross operating revenue	\$17,784,518	\$16,056,327
Operating expenses	17,971,559	18,746,054
	January and February, 1924	January and February, 1923
Gross revenue	\$36,113,009	\$34,679,231
Operating expenses	35,850,633	37,949,283
Operating net	262,376	def. 3,270,052

## Meetings and Conventions

The following list gives names of secretaries, dates of next or regular meetings and places of meetings:

- AIR BRAKE ASSOCIATION.—F. M. Nellis, 165 Broadway, New York City. Next convention, May 6-9, 1924, Montreal, Canada. Exhibit by Air Brake Appliance Association.
- AIR BRAKE APPLIANCE ASSOCIATION.—Joseph Sinkler, Pilot Packing Company, 122 South Michigan Ave., Chicago. Meeting with Air Brake Association.
- AMERICAN ASSOCIATION OF DINING CAR SUPERINTENDENTS.—L. A. Stone, C. & E. I. Ry., Chicago.
- AMERICAN ASSOCIATION OF ENGINEERS.—C. E. Drayer, 63 E. Adams St., Chicago.
- AMERICAN ASSOCIATION OF FREIGHT TRAFFIC OFFICERS.—Grant Williams, 1341 Railway Exchange, Chicago.
- AMERICAN ASSOCIATION OF GENERAL BAGGAGE AGENTS.—E. L. Duncan, 332 So. Michigan Ave., Chicago. Next meeting, June 3, 1924, Montreal, Canada.
- AMERICAN ASSOCIATION OF PASSENGER TRAFFIC OFFICERS.—W. C. Hope, C. R. R. of N. J., 143 Liberty St., New York.
- AMERICAN ASSOCIATION OF RAILROAD SUPERINTENDENTS.—J. Rothchild, Room 400, Union Station, St. Louis, Mo. Next meeting, June 18-20, 1924, Buffalo, N. Y.
- AMERICAN ELECTRIC RAILWAY ASSOCIATION.—J. W. Welsh, 8 W. 40th St., New York.
- AMERICAN RAILROAD MASTER TINNERS', COPPERSMITHS' AND PIPE FITTERS' ASSOCIATION.—C. Borchardt, 202 North Hamilton Ave., Chicago, Ill.
- AMERICAN RAILWAY ASSOCIATION:
  - Division I.—Operating, J. C. Caviston, 30 Vesey St., New York, N. Y.
  - Freight Station Section (including former activities of American Association of Freight Agents).—R. O. Wells, Freight Agent, Illinois Central Railroad, Chicago, Ill.

Medical and Surgical Section.—J. C. Caviston, 30 Vesey St., New York, N. Y.

Protective Section (including former activities of the American Railway Chief Special Agents and Chiefs of Police Association).—J. C. Caviston, 30 Vesey St., New York, N. Y. Annual meeting July 9-11, Brown Palace Hotel, Denver, Colo.

Safety Section.—J. C. Caviston, 30 Vesey St., New York. Annual meeting, June 24-26, Newhouse Hotel, Salt Lake City, Utah.

Telegraph and Telephone Section (including former activities of the Association of Railway Telegraph Superintendents).

Division II.—Transportation (including former activities of the Association of Transportation and Car Accounting Officers).—G. W. Covert, 431 South Dearborn St., Chicago, Ill. Annual session, April 30, Hotel Traymore, Atlantic City, N. J.

Division III.—Traffic, J. Gottschalk, 143 Liberty St., New York.

Division IV.—Engineering, E. H. Fritch, 431 South Dearborn St., Chicago, Ill. Exhibit by National Railway Appliances Association.

Construction and Maintenance Section.—E. H. Fritch.

Electric Section.—E. H. Fritch.

Signal Section (including former activities of the Railway Signal Association).—H. S. Balliett, 30 Vesey St., New York, N. Y. Next "stated meeting," Sept. 22, 1924, Ocean View Hotel, Swampscott, Mass.

Division V.—Mechanical (including former activities of the Master Car Builders' Association and the American Railway Master Mechanics' Association).—V. R. Hawthorne, 431 South Dearborn St., Chicago, Ill. Annual convention, June 11-18, 1924, Atlantic City, N. J. Exhibit by Railway Supply Manufacturers' Association.

Equipment Painting Section (including former activities of the Master Car and Locomotive Painters' Association).—V. R. Hawthorne, 431 South Dearborn St., Chicago, Ill.

Division VI.—Purchases and Stores, including former activities of the Railway Storekeepers' Association).—W. J. Farrell, 30 Vesey St., New York, N. Y. Annual meeting, June 16-18, Chalfonte-Haddon Hall, Atlantic City, N. J. Exhibit by Railway Supply Manufacturers' Association.

Division VII.—Freight Claims (including former activities of the Freight Claim Association).—Lewis Pilcher, 431 South Dearborn St., Chicago, Ill. Next convention, April 13, 1924, Hotel Roosevelt, New Orleans, La.

Car Service Division.—C. A. Buch, 17th and H Sts., N. W., Washington, D. C.

AMERICAN RAILWAY BRIDGE AND BUILDING ASSOCIATION.—C. A. Lichty, C. & N. W. Ry., 319 N. Waller Ave., Chicago. Next annual convention, Oct. 21-23, 1924, Kansas City, Mo. Exhibit by Bridge and Building Supply Men's Association.

AMERICAN RAILWAY DEVELOPMENT ASSOCIATION.—W. H. Hill, Agricultural Agent, New York Central, Chicago. Next annual meeting, May 14-16, 1924, Savannah, Ga.

AMERICAN RAILWAY ENGINEERING ASSOCIATION.—(Works in co-operation with the American Railway Association, Division IV.) E. H. Fritch, 431 South Dearborn St., Chicago. Exhibit by National Railway Appliances Association.

AMERICAN RAILWAY MASTER MECHANICS' ASSOCIATION.—(See American Railway Association, Division V.)

AMERICAN RAILWAY TOOL FOREMEN'S ASSOCIATION.—J. A. Duca, Tool Foreman, C. R. I. & P. Ry., Shawnee, Okla. Annual convention, August 28-30, Hotel Sherman, Chicago. Exhibit by Supply Association of the American Railway Tool Foremen's Association.

AMERICAN SHORT LINE RAILROAD ASSOCIATION.—T. F. Whittlesey, 1319-21 F. St., N. W., Washington, D. C.

AMERICAN SOCIETY FOR STEEL TREATING.—W. H. Eisenman, 4600 Prospect Ave., Cleveland, Ohio. Next convention, Sept. 22-26, Commonwealth Pier, Boston.

AMERICAN SOCIETY FOR TESTING MATERIALS.—C. L. Warwick, 1315 Spruce St., Philadelphia, Pa. Annual meeting, June 23-27, Chalfonte-Haddon Hall, Atlantic City, N. J.

AMERICAN SOCIETY OF CIVIL ENGINEERS.—Prof. J. H. Dunlap, 33 W. 39th St., New York. Regular meetings 1st and 3rd Wednesdays in month, except July and August, 33 W. 39th St., New York.

AMERICAN SOCIETY OF MECHANICAL ENGINEERS.—Calvin W. Rice, 29 W. 39th St., New York. Railroad Division, A. F. Stuebing, Chief Engineer, Bradford Draft Gear Co., 23 W. 43rd St., New York.

AMERICAN TRAIN DISPATCHERS' ASSOCIATION.—C. L. Darling, 1310-1311 Mallery Bldg., Chicago, Ill.

AMERICAN WOOD PRESERVERS' ASSOCIATION.—P. R. Hicks, Room 1146, Otis Bldg., Chicago. Next convention, 1925, Chicago.

ASSOCIATION OF RAILWAY CLAIM AGENTS.—H. D. Morris, Northern Pacific Ry., St. Paul, Minn. Annual meeting, May, 1924, West Baden, Ind.

ASSOCIATION OF RAILWAY ELECTRICAL ENGINEERS.—J. A. Andreucetti, C. & N. W., Room 411, C. & N. W. Sta., Chicago. Semi-annual meeting, June, 1924, Atlantic City, N. J. Exhibit by Railway Electrical Supply Manufacturers' Association.

ASSOCIATION OF RAILWAY EXECUTIVES.—Stanley J. Strong, 17th and H Sts., N. W., Washington, D. C.

ASSOCIATION OF RAILWAY SUPPLY MEN.—A. W. Clokey, 1658 McCormick Bldg., Chicago. Meeting with International Railway General Foremen's Association.

ASSOCIATION OF RAILWAY TELEGRAPH SUPERINTENDENTS.—(See American Railway Association, Division I.)

ASSOCIATION OF TRANSPORTATION AND CAR ACCOUNTING OFFICERS.—(See American Railway Association, Division II.)

BRIDGE AND BUILDING SUPPLY MEN'S ASSOCIATION.—John Nelson, Joseph E. Nelson & Sons, 3240 South Michigan Ave., Chicago. Meeting with convention of American Railway Bridge and Building Association.

CANADIAN RAILWAY CLUB.—W. A. Booth, 53 Rushbrook St., Montreal, Que.

CAR FOREMEN'S ASSOCIATION OF CHICAGO.—Aaron Kline, 626 North Pine Ave., Chicago. Regular meetings, 2nd Monday in month, except June, July and August, Great Northern Hotel, Chicago.

CAR FOREMAN'S ASSOCIATION OF ST. LOUIS, MO.—R. E. Giger, 721 North 23rd St., East St. Louis, Ill. Meetings, first Tuesday in month at the American Hotel Annex, St. Louis.

CENTRAL RAILWAY CLUB.—Harry D. Vought, 26 Cortlandt St., New York. Regular meetings, 2nd Thursday, January to November. Interim meetings, 2nd Thursday, February, April, June, Hotel Statler, Buffalo, N. Y.

CHIEF INTERCHANGE CAR INSPECTORS' AND CAR FOREMEN'S ASSOCIATION.—A. S. Sternberg, Belt Ry. of Chicago, Polk and Dearborn Sts., Chicago. Annual meeting, September, 16-18, Sherman Hotel, Chicago.

CHIEF INTERCHANGE CAR INSPECTORS' AND CAR FOREMEN'S SUPPLY MEN'S ASSOCIATION.—Bradley S. Johnson, W. H. Miner, Rookery Bldg., Chicago, Ill. Meeting with Chief Interchange Car Inspectors' and Car Foremen's Association.

CINCINNATI RAILROAD CLUB.—W. C. Cooder, Union Central Bldg., Cincinnati, Ohio. Meetings, 2nd Tuesday in February, May, September and November.

- CLEVELAND STEAM RAILWAY CLUB.**—F. L. Ferricks, 14416 Adler Avenue, Cleveland, O. Meetings, first Monday each month, Hotel Cleveland, Public Square, Cleveland.
- DIXIE RAILWAY CLUB.**—T. C. Schley, 71 Conti St., Mobile, Ala. Regular meetings, bi-monthly, second and fourth Fridays, Battle House Hotel, Mobile, Ala.
- EASTERN RAILROAD ASSOCIATION.**—E. N. Bessling, 614 F St., N. W., Washington, D. C.
- FREIGHT CLAIM ASSOCIATION.**—(See American Railway Association, Division VII.)
- GENERAL SUPERINTENDENTS' ASSOCIATION OF CHICAGO.**—C. H. Treichel, Grand Central Station, Chicago. Regular meetings, Wednesday, preceding 3rd Friday in month, Room 1414, Manhattan Bldg., Chicago.
- INTERNATIONAL RAILROAD MASTER BLACKSMITHS' ASSOCIATION.**—W. J. Mayer, Michigan Central R. R., Detroit, Mich. Annual convention, August 19-21, 1924, Hotel Sherman, Chicago. Exhibit by International Railroad Master Blacksmiths' Supply Men's Association.
- INTERNATIONAL RAILROAD MASTER BLACKSMITHS' SUPPLY MEN'S ASSOCIATION.**—George P. White, 747 Railway Exchange, Chicago. Meeting with International Railroad Master Blacksmiths' Association.
- INTERNATIONAL RAILWAY FUEL ASSOCIATION.**—J. B. Hutchison, 6000 Michigan Ave., Chicago. Next convention, May 26-29, 1924, Hotel Sherman, Chicago. Exhibit by International Railway Supply Men's Association.
- INTERNATIONAL RAILWAY GENERAL FOREMEN'S ASSOCIATION.**—Wm. Hall, 1061 W. Wabash Ave., Winona, Minn. Annual convention, September 9-12, Hotel Sherman, Chicago.
- INTERNATIONAL RAILWAY SUPPLY MEN'S ASSOCIATION.**—Bard Browne, Superheater Co., 17 E. 42nd St., New York. Meeting with International Railway Fuel Association.
- MASTER BOILER MAKER'S ASSOCIATION.**—Harry D. Vought, 26 Cortlandt St., New York. Next convention, May 20-23, 1924, Hotel Sherman, Chicago.
- MASTER CAR AND LOCOMOTIVE PAINTERS' ASSOCIATION.**—(See A. R. A., Division V.)
- MASTER CAR BUILDERS' ASSOCIATION.**—(See A. R. A., Division V.)
- NATIONAL ASSOCIATION OF RAILWAY TIE PRODUCERS.**—J. S. Penney, T. J. Moss Tie Company, St. Louis, Mo. Next convention, 1925, Chicago.
- NATIONAL ASSOCIATION OF RAILWAY AND UTILITIES COMMISSIONERS.**—James B. Walker, 49 Lafayette St., New York. Next convention, Nov. 11, 1924, Phoenix, Ariz.
- NATIONAL FOREIGN TRADE COUNCIL.**—O. K. Davis, 1 Hanover Square, New York.
- NATIONAL RAILWAY APPLIANCES ASSOCIATION.**—C. W. Kelly, People's Gas Bldg., Chicago. Annual exhibition at convention of American Railway Engineering Association.
- NATIONAL SAFETY COUNCIL.**—Steam Railroad Section: E. R. Cott, Safety Agent, Hocking Valley Ry., Columbus, O.
- NEW ENGLAND RAILROAD CLUB.**—W. E. Cade, Jr., 683 Atlantic Ave., Boston, Mass. Regular meetings, 2nd Tuesday in month, excepting June, July, August and September, Copley-Plaza Hotel, Boston, Mass.
- NEW YORK RAILROAD CLUB.**—Harry D. Vought, 26 Cortlandt St., New York. Regular meetings, 3rd Friday in month, except June, July and August, at 29 W. 39th St., New York.
- PACIFIC RAILWAY CLUB.**—W. S. Wollner, 64 Pine St., San Francisco, Cal. Regular meetings, 2nd Thursday in month, alternately in San Francisco and Oakland.
- RAILWAY ACCOUNTING OFFICERS' ASSOCIATION.**—E. R. Woodson, 1116 Woodward Building, Washington, D. C.
- RAILWAY BUSINESS ASSOCIATION.**—Frank W. Noxon, 600 Liberty Bldg., Broad and Chestnut St., Philadelphia, Pa.
- RAILWAY CLUB OF PITTSBURGH.**—J. D. Conway, 515 Grandview Ave., Pittsburgh, Pa. Regular meetings, 4th Thursday in month, except June, July and August, Fort Pitt Hotel, Pittsburgh, Pa.
- RAILWAY DEVELOPMENT ASSOCIATION.**—(See Am. Ry. Development Assn.)
- RAILWAY ELECTRICAL SUPPLY MANUFACTURERS' ASSOCIATION.**—J. Scribner, General Electric Co., Chicago. Annual meeting with Association of Railway Electrical Engineers.
- RAILWAY EQUIPMENT MANUFACTURERS' ASSOCIATION.**—H. A. Varney, Sunbeam Electric Manufacturing Co., Evansville, Ind. Meeting with Traveling Engineers' Association.
- RAILWAY FIRE PROTECTION ASSOCIATION.**—R. R. Hackett, Baltimore & Ohio R. R., Baltimore, Md.
- RAILWAY REAL ESTATE ASSOCIATION.**—R. H. Morrison, C. & O. Ry., Richmond, Va.
- RAILWAY SIGNAL ASSOCIATION.**—(See A. R. A., Division IV., Signal Section.)
- RAILWAY STOREKEEPERS' ASSOCIATION.**—(See A. R. A., Division VI.)
- RAILWAY SUPPLY MANUFACTURERS' ASSOCIATION.**—J. D. Conway, 1841 Oliver Bldg., Pittsburgh, Pa. Exhibit at meetings of A. R. A., Division V. and VI., June 11-18, 1924, Atlantic City, N. J.
- RAILWAY TELEGRAPH AND TELEPHONE APPLIANCE ASSOCIATION.**—G. A. Nelson, 30 Church St., New York. Meets with Telegraph and Telephone Section of A. R. A., Division I.
- RAILWAY TREASURY OFFICERS' ASSOCIATION.**—L. W. Cox, Commercial Trust Bldg., Philadelphia, Pa. Annual meeting, September 18 and 19, Montreal, Canada.
- ROADMASTERS' AND MAINTENANCE OF WAY ASSOCIATION.**—P. J. McAndrews, C. & N. W. Ry., Sterling, Ill. Next convention, September 16-18, 1924, New York. Exhibit by Track Supply Association.
- ST. LOUIS RAILWAY CLUB.**—B. W. Frauenthal, Union Station, St. Louis, Mo. Regular meetings, 2nd Friday in month, except June, July and August.
- SIGNAL APPLIANCE ASSOCIATION.**—F. W. Edmunds, Sunbeam Electric Manufacturing Company, New York City. Meeting with American Railway Association, Signal Section.
- SOUTHEASTERN CARMEN'S INTERCHANGE ASSOCIATION.**—J. E. Rubley, Southern Railway Shops, Atlanta, Ga. Meets semi-annually.
- SOUTHERN AND SOUTHWESTERN RAILWAY CLUB.**—A. J. Merrill, P. O. Box 1205, Atlanta, Ga. Regular meetings, 3rd Thursday in January, March, May, July, September and November, Piedmont Hotel, Atlanta.
- SOUTHERN ASSOCIATION OF CAR SERVICE OFFICERS.**—J. L. Carrier, Car. Serv. Agent, Tenn. Cent. Ry., 319 Seventh Ave., North Nashville, Tenn.
- SUPPLY ASSOCIATION OF AMERICAN RAILWAY TOOL FOREMEN'S ASSOCIATION.**—H. S. White, 9 N. Jefferson St., Chicago.
- TRACK SUPPLY ASSOCIATION.**—W. C. Kidd, Ramapo-Ajax Corporation, Hillburn, N. Y. Meets with Roadmasters' and Maintenance of Way Association.
- TRAVELING ENGINEERS' ASSOCIATION.**—W. O. Thompson, 1177 East 98th St., Cleveland, Ohio. Next convention, September 9-14, 1924, Chicago. Exhibit by Railway Equipment Manufacturers' Assn.
- WESTERN RAILWAY CLUB.**—Bruce V. Crandall, 605 North Michigan Ave., Chicago. Regular meetings, 3rd Monday each month, except June, July and August.
- WESTERN SOCIETY OF ENGINEERS.**—Edgar S. Nethercut, 1735 Monadnock Bldg., Chicago, Ill.

## Traffic News

The Great Lakes Shippers' Regional Advisory Board will hold its next meeting at Lawrence Hotel, Erie, Pa., beginning Tuesday morning, April 8.

At the organization of the Mid-west Regional Advisory Board at Chicago on March 27, the following officers were elected: general chairman, Robert C. Ross, general traffic manager of Jos. T. Ryerson & Son, Chicago; alternate general chairman, John T. Bowlus, of the transportation department of the Milwaukee Chamber of Commerce, Milwaukee, Wis.; and general secretary, Robert Hula, of the Chicago Association of Commerce.

Daniel Willard, president of the Baltimore & Ohio, and A. G. Smith, president of the American Steamship Owners' Association, have been appointed on a committee named by President Coolidge to study the question of co-ordination of rail and water transportation. The other members of the committee are Secretary Hoover of the Department of Commerce, Chairman Hall of the Interstate Commerce Commission, President Leigh C. Palmer of the Emergency Fleet Corporation and T. V. O'Connor, chairman of the Shipping Board.

### Demurrage, \$8,000 a Day

The total amount of demurrage collected in October, 1923, by all of the railroads in fifteen of the larger cities within the territorial boundaries of the Atlantic States Shippers' Advisory Board was \$215,838.50, of which \$39,765 was collected in Philadelphia, and \$87,110 at New York.

Owing to the difference in the free time allowance between domestic and export freight, the graduated demurrage scale, the average agreement and other inequalities, the car service division, A. R. A., which compiled the figures finds it impossible to determine the actual number of car-day delays for which consignees are responsible. Investigations which have been made, however, show that the number of car-day delays greatly exceeds the number of dollars collected in demurrage charges; and, using the collections for October as a basis, the demurrage collected for the year 1923 in these fifteen cities alone can be estimated at \$2,500,000. This indicates that on a conservative basis the car-day delays amounted to at least 2,500,000 days for the year, which is equal to taking out of service for one day every freight car owned by all of the railroads of the United States and Canada.

The foregoing statement has been sent to all members of the commodity committees of the Atlantic States Shippers' Advisory Board in the hope that with the assistance of these committees the car service division can greatly reduce car delays on the part of consignees.

### Freight Rates and Cotton Prices

That freight rates have little if anything to do with the price which producers of cotton receive for their products is shown by a study of the subject just completed by the Bureau of Railway Economics. The study shows among other things that:

Freight rates are a small factor, in relation to the price of cotton, and do not retard its freedom of movement.

Cotton prices varied widely from week to week, although, with a few slight exceptions, the freight rates remained stationary. These variations in most cases were many times the total rate to market.

Shipping points with identical freight rates also showed wide variations in prices on the same day.

The demand for cotton and not the freight rate is the controlling factor in determining the price which the producer receives for his cotton, since he sells his products either at the plantation or at the point of ginning and the ultimate destination is seldom determined at the time of sale.

The study shows that the producer receives as much for his cotton which eventually reaches New England, as for cotton that goes to nearby mills. The producer therefore does not have to pay the freight to the consuming market.



The study was conducted for the purpose of developing the effect of freight rates on prices for the period from August 17 to December 28, 1923. Prices paid consumers were obtained through local railroad agents either from producers, buyers or merchants and were the prices for ginned cotton in bales excluding the amount the producers received for cotton seed and other by-products. The prices used in the study were obtained from 57 shipping points distributed throughout the cotton producing sections of the country and covered actual sales.

### Reconsideration of Express Order Granted

The Interstate Commerce Commission has granted a petition of the American Railway Express Company for itself and for the railway lines over which it operates, for a reconsideration of the order entered by the commission on November 10, 1923, prescribing a reduction in rates on articles of food. The record in the case is re-opened for further argument solely with respect to the matter of commodity rates on articles of food by express. Hearing will be on April 11 at Washington before the full commission.

### Section 28 of Merchant Marine Act

The traffic executives of lines serving eastern territory after carefully considering the interpretation and applications of section 28 of the merchant marine act which, by virtue of a certificate of the United States Shipping Board and order of the Interstate Commerce Commission in conformity therewith, becomes effective May 20, 1924, gave out the following statement following a meeting in Washington on April 2:

"The effect of making operative Section 28 to the extent provided in said certificate and order in substance is to require that domestic rates and regulations affecting domestic rates shall be applied on all export and import traffic excepting grain, unless it is exported or imported in ships of American registry, to and from such foreign countries as are designated by the Shipping Board and in the order of the Interstate Commerce Commission, which ports embrace substantially all the ports of the world except African, Mediterranean, Spanish, Portuguese, Southern Asian, and West Indian ports.

"Section 28 becomes operative upon the rates, fares and charges of any carrier so far as it conducts 'transportation subject to the Interstate Commerce Act.' Transportation subject to the interstate commerce act includes storage, demurrage, free time, car service, lighterage and other incidents of transportation as to which regulations affecting the rate are published by the carriers.

"Section 28 as made operative does not effect any reduction in any rate. It will be the obligation of the railroad companies to apply the domestic rates on export and import traffic unless shipped in vessels of American registry.

"Section 28 does not apply to traffic originating in the United States and moving for export to Canada or through a Canadian port, nor does it apply to traffic originating in the United States and moving through Canada for exportation through an American port. Vice versa, Section 28 does not apply to traffic from the foreign ports covered by the order moving through Canadian ports to points in the United States nor to traffic moving through an American port to a point in Canada or passing through Canada to a point of destination in the United States nor to traffic originating in Canada and moving to a point of destination in the United States.

"Certain trans-shipment rates on coal, coke, etc., which are lower than track delivery rates on the same commodities to the port of trans-shipment are not included within the operation of Section 28 because such rates are not based upon contemplated exportation but on the contrary are based primarily on the incident of coastwise transportation to other points in the United States.

"It will of course be necessary for the carriers to police the application of export and import rates so that they may be applied only in connection with ships of American registry. Where the shipper gives reasonable assurance that the property will be exported in a vessel of American registry, the export rate will in the first instance be applied. If the shipper changes the through route to provide for forwarding in a vessel of foreign registry, correction will be made to the basis of the domestic rate and the additional charges will be collected."

A hearing on the Newton bill to amend section 28 was to be held before a House committee on April 3.

## Labor News

An increase in wages of approximately five per cent has been granted by the Lehigh Valley to conductors and brakemen.

The New York, New Haven & Hartford, following protracted negotiations with representatives of the enginemen and firemen, concerning wages, allows the newspapers to print a statement that the result is a stalemate and that negotiations have been closed by mutual consent; which leads to the inference that the question will be referred to the Labor Board. The men asked for advances like those granted recently by the New York Central, about five per cent. The deadlock appears to have been the refusal of the employees to discuss the road's demands for changes in the rules concerning dead-heading, passenger switching, examinations, and time spent in learning the road.

### Expect to Conclude Western Wage Conference Soon

Negotiations between representatives of the western railways and of the Brotherhood of Railroad Trainmen and the Order of Railway Conductors were resumed on April 1 after a recess of several days. While no information is available as to the progress that has been made in the three weeks the conferences have continued, it is understood that they will end some time next week. Reports current in Chicago that general increases of five per cent in the wages of the trainmen will probably be the result of the negotiations are believed to be incorrect.

### Agreement With Canadian Maintenance Employees

After several weeks' negotiations representatives of the United Brotherhood of Maintenance of Way Employees & Railway Shop Laborers have reached an agreement in Montreal with the Wage Sub-Committee of the Railway Association of Canada in regard to the working conditions of about 30,000 men employed in the maintenance of way and bridge-building departments of all railways. The most important concession made by the railways is the payment of overtime at the rate of time and one-half after eight hours. In addition a rate of 37 cents an hour has been established for bridge and building laborers in permanent bridge and building gangs, and the probationary period for all employees has been reduced from six to four months. The new agreement is to remain in effect for one year.

### Wage Increases Announced

The New York, New Haven & Hartford and the Central New England have awarded an increase in wages of one and a half cents an hour to crossing watchmen, drawbridge tenders and assistants. This increase was made effective March 14 and will continue for one year from that date. The Louisville & Nashville has made a number of adjustments in the wages of its clerical employees in the stores department and of freight house employees. Increases in wages of one cent and two cents an hour have been granted to storekeepers, chief clerks, foremen, sub-foremen and other clerical supervisory forces at designated points. Similar increases have been granted to clerks with two or more years' experience and clerks with more than one but less than two years' experience have received a one cent an hour increase. Freight handlers, truckers, and other station employees at six cities have received increases of one cent and two cents an hour.

### Canadian Shopmen Favor

#### B. & O. Plan of Co-operation

The convention of the Canadian section of Division 4, Railway Employees Department, of the American Federation of Labor, meeting in Montreal, representing 35,000 rail shopmen on Canadian lines, has gone on record as favoring the Baltimore & Ohio plan of co-operating with the management and expressed the desire to see the plan adopted in Canada. Following the endorsement by the convention, the matter will be taken up by the Canadian Pacific

System Federation and the Canadian National System Federation at their conventions which open simultaneously in Montreal immediately upon the conclusion of the Division 4 convention. The next step would be the making of a survey of the lines to designate some one point at which the plan could be tried out. Managements of the railways would then be approached. A vote of the men throughout the system would be necessary before the plan could be put into effect. It is understood that Sir Henry Thornton has discussed the plan with prominent railway men's representatives.

### Rock Island Settles Shop Crafts Strike

The strike of the shop crafts employees on the Chicago, Rock Island & Pacific, which began on July 1, 1922, has been officially terminated by the Railway Employees' Department of the American Federation of Labor, in accordance with a plan upon which the Rock Island offered to reemploy the strikers. Former employees who desire to return to work are to register at points where they formerly worked within the next 60 days. Those who register will be given preference for employment over other new men during the 60-day period of registration and for six months thereafter. Employees who register will be provided with work as soon as opportunity offers, but present employees will not be displaced. The rights and seniority of the men now in service will not be interfered with or affected by the employment of any former shop employees. In the reemployment of former employees who register the relative seniority rights as among themselves will prevail, in accordance with the seniority roster before the strike began. This does not mean that former employees will secure their old seniority, but that their seniority as new men will be arranged according to their seniority before the strike. The Rock Island has refused to enter into any contract with the federated shop crafts and will continue to negotiate with its shopmen through the present "company" organization.

## Labor Board Decisions

### Replacing of Brakemen With Porters

In a decision on a protest of trainmen against the action of the Chicago, Rock Island & Pacific in discontinuing the service of head-end brakemen on passenger trains and filling such positions with negro porters, the Labor Board has decided that this action violated the schedule agreement in effect on that road.—*Decision No. 2301.*

### Representation of Individual Shop Crafts Employees

The Labor Board decides that the railway employees' department of the American Federation of Labor has the right to represent individual employees on the Great Northern who have grievances under the provisions of the existing agreements. The dispute in this case involved a memorandum of settlement with certain striking shopmen in the latter part of 1922 and its alleged violation in the case of one employee by the railway management.—*Decision No. 2304.*

### Contracting for Watching of Crossings

The United States Railroad Labor Board has handed down a decision that a contract entered into between the Missouri-Kansas-Texas and the city of Clinton, Mo., by which the city agreed to furnish watchmen at railroad crossings within its limits, was in violation of the Transportation Act and decisions of the board. In this case the railroad had abolished the positions of crossing watchmen in Clinton which had been held by the members of the United Brotherhood of Maintenance of Way Employees and Railway Shop Laborers and had entered into a contract with the city of Clinton wherein it was agreed that the railway should pay the city the sum of \$500 a month and that in consideration thereof, the city would furnish such protection as was necessary to conform to legal requirements. The management maintained that the work of crossing watchman is purely a safety measure in the interests of the general public coming entirely within the control of the municipalities in the exercise of police power. The Labor Board overruled this contention, however, and took the same position it has held with respect to the contracting of work of all sorts.—*Decision No. 2207.*

## Equipment and Supplies

### Locomotives

THE CANADIAN PACIFIC has ordered 10 tenders of 10,000 gal. capacity from the Canadian Locomotive Company, Ltd.

THE FLORIDA EAST COAST, reported in the *Railway Age* of March 22 as inquiring for 20 Mountain type locomotives and 5 eight-wheel switching type locomotives, has ordered this equipment from the American Locomotive Company.

### Freight Cars

THE UNION CARBIDE COMPANY is inquiring for 6 tank cars of 40 tons' capacity.

THE GREAT NORTHERN has ordered 250 ore cars from the Bethlehem Steel Company.

THE WESTERN FRUIT EXPRESS will build 1,000 refrigerator cars in its shop at Indiana Harbor, Ind.

SWIFT & COMPANY, reported in the *Railway Age* of February 2 as inquiring for 100 double deck stock cars, has decided to build this equipment in its own shops.

THE KINGAN REFRIGERATOR LINE, reported in the *Railway Age* of March 8 as inquiring for 100 refrigerator cars has ordered this equipment from the American Car & Foundry Co.

### Passenger Cars

PACIFIC ELECTRIC.—See Southern Pacific.

THE BOSTON ELEVATED is inquiring for 8 subway cars.

THE NEW YORK, CHICAGO & ST. LOUIS is inquiring for one cafe car in addition to 12 cars reported in the *Railway Age* of March 15.

THE SOUTHERN PACIFIC has placed an order with the J. G. Brill Company for 50 center entrance electric street cars 52 ft. long, and an order with the St. Louis Car Company for 12 one-man and two-man electric street cars. These cars are for service on the Pacific Electric Railway.

### Iron and Steel

THE SOUTHERN PACIFIC is inquiring for 130,000 tons of rails.

THE BALTIMORE & OHIO is inquiring for 5,000 tons of steel for bridges.

THE VIRGINIAN RAILWAY is inquiring for 1,500 tons of steel for bridges.

### Machinery and Tools

THE CEDAR RAPIDS & IOWA CITY has placed an order for a 300-ton wheel press.

THE NEW YORK CENTRAL has placed orders for an axle lathe; also for a 48-in. by 12-ft. planer.

THE LOUISVILLE & NASHVILLE is inquiring for one 30-ton standard gage eight-wheel locomotive crane.

### Signaling

THE SOUTHERN PACIFIC has ordered from the Union Switch & Signal Company 132 one-arm and 44 two-arm Style "B" semaphore signals for installation between Ysleta, Tex., and Hot Wells. A total of 487 relays will be required. The field work will be handled by the railway company's regular signal forces.



## Supply Trade News

C. A. Paquette, chief engineer of the Cleveland, Cincinnati, Chicago & St. Louis, with headquarters at Cincinnati, Ohio, has been appointed president of the **M. E. White Company**, the **White Construction Company** and other affiliated companies, with headquarters at Chicago.

The **Sykes Company**, manufacturers of the Sykes rail car has moved its general office at Kenosha, Wis., and its plant at Winthrop Harbor to St. Louis, Mo., where the general offices are located in the Liberty Central Trust building. A contract has been closed with the St. Louis Car Company for all coach and truck work.

The **Youngstown Steel Car Company**, Niles, Ohio, has opened a new district office in the Canadian Pacific building, New York City. This office is in charge of **John H. McCartney**, formerly representative at New York for the Standard Tank Car Company. The Youngstown Steel Car Company builds all classes of freight cars.

**Charles Longenecker**, formerly sales engineer with the Bonnot Company at Canton, Ohio, has become associated with the **Combustion Engineering Corporation**, New York City. Mr. Longenecker was one of the first men to specialize in pulverized fuel and he has been active in this field for many years past. In his new connection he will be identified with the recently created industrial department of the Combustion Engineering Corporation. This department, in charge of H. D. Savage, will specialize in the application of pulverized fuel to industrial work of all kinds.

**Charles N. Winter**, managing editor of the *Locomotive Cyclopedia* and the *Car Builders' Cyclopedia*, has resigned to become general manager of the **Rogatchoff Company** of Baltimore, Maryland. Mr. Winter began his engineering career in 1904 in Poughkeepsie, N. Y. In 1906 he entered the engineering department of the American Brake Shoe & Foundry Company, serving as draftsman and as engineering inspector of new work. He resigned this position to enter the engineering department of the American Car & Foundry Company at New York, in 1913 returning to the American Brake Shoe & Foundry Company as chief draftsman. In 1915 he removed to Virginia where he served in the test department of the Norfolk & Western at Roanoke, and in the office of the engineer at the Richmond Works of the American Locomotive Company. In 1918, Mr. Winter accepted a position on the editorial staff of the Simmons-Boardman Publishing Company and compiled the 1919 edition of the *Car Builders' Cyclopedia*. At the close of this work he became associate editor of the *Railway Age* and the *Railway Mechanical Engineer*. In 1921 he became managing editor of both the *Locomotive Cyclopedia* and the *Car Builders' Cyclopedia*, resigning from this latter position to take up his new duties which will include the direction of sales and advertising for the Rogatchoff Company in the United States and Canada, and also in Great Britain and Australia. The sales offices will be located at 90 West Broadway, New York City, and in the Koehler Building, Ridgewood, N. J.



C. N. Winter

### New York Air Brake Company

The net profit of the New York Air Brake Company for the year ended December 31, 1923, amounted to \$2,526,488 as compared with \$958,741 for the previous year. After deducting \$1,100,000 for dividends actually paid or accrued and after the appropriation for special reserves of \$1,000,000, and special adjustments and losses of \$115,765, there was a balance represented by 200,000 shares no par common stock, December 31, 1923, of \$11,390,924.

The balance sheet of the New York Air Brake Company, as of December 31, 1923, compares as follows:

ASSETS		1923	1922
Cash		\$3,625,087	\$1,827,997
Accounts receivable		2,400,177	2,277,324
Securities		550,162	7,038
Inventories		1,974,676	2,361,721
Miscellaneous accounts and investments		242,641	242,357
Land, buildings and equipment		7,731,216	8,128,745
Patents, trade name, etc.		5,502,709	5,502,709
Deferred charges		148,816	123,234
		\$22,175,486	\$20,471,125
LIABILITIES			
Current accounts payable		\$445,046	\$715,675
Accrued accounts not due		102,924	67,741
Dividends		411,591	102,507
Federal taxes, accrued		325,000	
First mortgage 6 per cent bonds		3,000,000	3,000,000
Deferred credit			5,000
Reserves		1,500,000	500,000
Class "A" stock		5,000,000	5,000,000
Common stock		11,390,924	11,080,202
		\$22,175,486	\$20,471,125

### Electric Storage Battery Company

For the year ended December 31, 1923, The Electric Storage Battery Company reports gross sales of \$11,836,030 against \$11,966,681 in 1922 and net income before federal taxes of \$7,216,522 as compared with \$7,570,839 in 1922. Dividends were paid totaling \$4,010,145 in 1923 and \$3,196,685 in 1922.

The consolidated balance sheet of The Electric Storage Battery Company and the Willard Storage Battery Company, as of December 31, 1923, compares as follows:

ASSETS		1923	1922
Cash		\$3,218,121	\$2,485,474
Bills and accounts receivable		5,541,555	5,354,555
Obligations of the United States		3,867,524	4,743,034
Industrial, railway and utility bonds		1,075,936	831,795
Accrued interest receivable		67,651	70,098
Inventories		9,345,946	7,928,280
Other investments		1,665,002	1,642,053
Deferred accounts		581,213	404,956
Real estate, plant and equipment		11,419,161	10,624,585
Patents, trade-marks and agreements		5,000,001	11,000,001
Insurance fund, cash and securities		144,435	116,194
		\$41,926,544	\$45,201,024
LIABILITIES			
Accounts payable		\$2,818,352	\$2,321,025
Accrued accounts		366,953	341,572
Employees' stock subscriptions, collections		42,831	
Reserves		615,422	601,337
Preferred stock		32,400	32,400
Common stock		19,946,925	19,946,925
Surplus *		18,103,661	21,957,765
		\$41,926,544	\$45,201,024

\* Subject to allowance for federal income tax for year 1923, estimated at \$850,000.

### Obituary

**C. L. Prince**, for many years associated with the General Electric Company in iron foundry work at Schenectady, and one of the pioneers in the American Foundrymen's Association, died in Schenectady, March 20, at the age of 67. Mr. Prince was born in Georgetown, Mass., and graduated from the Ridgewater State Normal School and the Worcester Polytechnical Institute. He went to Schenectady 25 years ago as superintendent of the General Electric Company's iron foundry. At the time of his death he was following a specialized line of work. Previous to his service with the General Electric Company, he was employed by the Camden Iron Works, Camden, N. J.

## Railway Construction

**ATCHISON, TOPEKA & SANTA FE.**—This company will close bids April 10 for the construction of a paint and sand plant at Topeka, Kan.

**BRITISH COLUMBIA ELECTRIC.**—This company has awarded a contract to Stewart & Barber, Vancouver, B. C., for the construction of a five-mile logging road in British Columbia, to cost \$150,000.

**CANADIAN NATIONAL.**—This company plans the construction of the following extensions in British Columbia, subject to approval of the Dominion Parliament: extension from near Kamloops, B. C., to Armstrong and from Vernon to Kelowna with a branch line from Vernon to Lumby, a total distance of 105 miles, at an estimated cost of \$2,236,000; extension from Deerholme to Cowichan Bay, a distance of 80 miles, to cost approximately \$358,000; extension of line of the Canadian Northern Pacific on Vancouver Island from mile 74 to mile 100, at an estimated cost of \$348,000.

**CANADIAN PACIFIC.**—This company will soon call for bids for the construction of an enginehouse at Schreiber, Ont., at a cost of \$150,000, to replace a building recently destroyed by fire.

**CANADIAN ROBERT DOLLAR COMPANY.**—This company plans the construction of a standard gage logging road from Sayward, Vancouver Island, to a point near Campbell River, a distance of 25 miles.

**CENTRAL OF GEORGIA.**—This company plans the construction of a concrete and steel viaduct in Columbus, Ga., at an estimated cost of \$400,000.

**CHICAGO, BURLINGTON & QUINCY.**—This company will close bids April 15 for the construction of water treating plants at Keokuk, Ia., Akron, Colo., Ardmore, S. Dak., Clifton, Wyo., La Grange, Mo., Hannibal, Elsberry, Old Monroe and Machens.

**CHICAGO, MILWAUKEE & ST. PAUL.**—This company is considering the construction of a power plant at Miles City, Mont., but does not expect to do the work this year.

**CHICAGO, ROCK ISLAND & PACIFIC.**—This company plans the construction, jointly with the El Paso & Southwestern, of a passenger station at Tucumcari, N. Mex. Plans for the structure have been completed.

**DETROIT, TOLEDO & Ironton.**—This company plans the construction of an engine terminal at Flat Rock, Mich.

**FLORIDA EAST COAST.**—This company will complete this month the grading on the first unit of 20 miles of its Miami-Okeechobee extension (about 120 miles). Work on the second unit will then be taken up and the balance of the line will be completed progressively as drainage and development permit.

**GOLDEN BELT.**—This company has applied to the Interstate Commerce Commission for a certificate authorizing the construction of a railroad from Great Bend to a connection with the Union Pacific at Hays, Kan., with a branch making the total mileage about 80, to be operated co-operatively by the cities and townships along the route. Authority is also asked to issue \$500,000 of 7 per cent 25-year mortgage bonds and \$800,000 of stock. Harry Freese, Hays, Kan., is secretary and attorney.

**INTERNATIONAL-GREAT NORTHERN.**—This company plans the relocation of the switch yard at Taylor, Tex., at an estimated cost of \$25,000.

**NEW YORK CENTRAL.**—This company has awarded a contract to the McMyler Interstate Company for the installation of a car dumper at Ashtabula Harbor, Ohio, for the dumping of coal into lake vessels. The dumper will be of 120-ton capacity, 40 cars per hour; it will be operated by steam and electricity. The approximate cost of the car dumper with boiler plant will be upwards of \$400,000, exclusive of foundations; with foundations, trackage facilities, etc., \$1,000,000.

**STATEN ISLAND RAPID TRANSIT.**—The Public Service Commission of New York has approved the plans of this company, a subsidiary of the Baltimore & Ohio, for the electrification of two of its lines (16.09 miles) in the Borough of Richmond, New York City. Electric current may either be provided by the company or purchased from outside sources; 60-cycle a.c. at not less than 33,000 volts, to be delivered to cars by means of a third rail at 600 volts d.c. The commission has also ordered the double-tracking of the company's single track line between Prince's Bay and Pleasant Plains (one mile) and has directed that the company must submit to it before February, 1925, plans for the electrification of its remaining line (6.67 miles) and of its freight yards. The cars approved for service on this line will be of multiple unit type, all-steel construction with center and end doors and of a type which can be operated over the lines of the Brooklyn-Manhattan Transit Company in the event that a connection between the lines of this company and the Staten Island is effected.

**WABASH.**—This company has awarded a contract to the Dwight P. Robinson & Co., for the construction, at Decatur, Ill., of a coach repair shop, 182 ft. by 142 ft., a coach paint shop, 182 ft. by 202 ft., a store house 80 ft. by 450 ft., all to be steel frame buildings with brick walls, and a reinforced concrete oil house, 58 ft. by 50 ft.

**WESTERN PACIFIC.**—This company, reported in the *Railway Age* of March 29 as having awarded a contract for the construction of second track and widening of embankments in Nevada, has awarded a contract to the Utah Construction Company, San Francisco, Cal., for the rehabilitation of its line between Wells, Nev., and Winnemucca, a distance of 183 miles, as provided in the recent agreement with the Southern Pacific for joint operation of this portion of the line. The contract includes the construction of bridge foundations but not bridge superstructures or signals.

### Toronto Grade Crossing Elimination up to Parliament

Efforts are being made by the City of Toronto to reach an understanding with the Canadian National and Canadian Pacific on the question of a viaduct from the east end of the city to the Union Station so that construction can be begun without delay and so that the new station on which has been expended about \$3,000,000 and which has been standing unused for four years can be placed at the service of the traveling public. Following the rejection by the City Council a short time ago of the alternative viaduct plan submitted by the engineers of the two railways, which plan they estimated would cost about \$23,000,000 as against the \$30,000,000 original viaduct plan contained in the agreement between the railways and the city made about 13 years ago, a deputation of municipal authorities went to Montreal to see Sir Henry Thornton, president of the Canadian National, and E. W. Beatty, president of the Canadian Pacific Railway. The two railway heads told the deputation that they were ready to accept their obligations under the 1913 viaduct agreement, and would endeavor to carry out the proposed work on that basis. Sir Henry said he would advise the Dominion government that the contract must be carried out and that he would apply, in his annual statement soon to be submitted to Parliament for the appropriation of funds to enable the Canadian National to carry out its part of the agreement, but that the C. P. R. could not begin operations until the C. N. R. was ready. So the matter now rests with the Dominion Parliament.

THE RAILROAD INSURANCE ASSOCIATION reports that the fires on railroad properties for which it paid insurance in the year 1923 numbered 2,445, with a total loss of \$3,133,923. About one-third of these fires and one-third of the loss must be classified as "cause unknown," the cause not having been determined by the railroad company. Fires caused by sparks cost \$321,423; and of this, the sum of \$103,880 (13 fires) is charged against sparks from acetylene torches. About one-fifth of the total of the losses is charged against 439 fires due to outside causes including \$171,143 from adjacent burning property; \$158,403 incendiary and \$11,041 from 28 cases of burning grass. The Railroad Insurance Association, Charles N. Rambo, manager, 80 Maiden Lane, New York City, is a combination, for doing business with the railroads, of 12 prominent fire insurance companies.



## Railway Financial News

**ALABAMA, FLORIDA & GULF.—Permission to Retain Excess Earnings Denied.**—The Interstate Commerce Commission has denied this company's supplemental application for authority to retain the excess earnings for ten years of two extensions, 4 miles and 9 miles, respectively, construction of which had been previously authorized by the commission. The company had represented that such permission would help it in the sale of bonds.

**ASHLAND COAL & IRON RAILWAY.—Sold.**—See Chesapeake & Ohio.

**ATLANTIC & YADKIN.—Receivership.**—Federal Judge E. Y. Webb at Greensboro, N. C., on March 17, ordered this railway placed in the hands of a receiver on motion of its lessee, the Southern Railway, which contends that the road is being operated at a loss. The naming of a receiver was deferred.

The Atlantic & Yadkin, a successor to the Cape Fear & Yadkin Valley Railway, runs between Sanford, N. C., and Mt. Airy, 130 miles.

**ATCHISON, TOPEKA & SANTA FE.—Acquisition of Salina & Santa Fe.**—This company has applied to the Interstate Commerce Commission for authority to acquire control of the Salina & Santa Fe by lease and by purchase of the capital stock.

**ATCHISON, TOPEKA & SANTA FE.—Asks Authority to Acquire Half Interest.**—This company has applied to the Interstate Commerce Commission for authority for the acquisition by purchase of an undivided half interest in a branch line constructed and owned by the Southern Pacific from Magunden to Arvin, Cal., 16.75 miles, and two spurs of 1.6 and 1.4 miles respectively.

**BOSTON & MAINE.—To Contest Proxies.**—The stockholders' protective association has mailed out a notice to all the stockholders saying: "Some confusion has arisen by reason of the fact that you are in receipt of requests for proxies from three sources, the management, trustees of so-called voting trust, and from this association. The vital issue is New Haven control. Trustees of the voting trust include Baylies and Liggett in their list for directors. Baylies and Liggett are the picked sentinels of the New Haven whom that company is attempting to place on our board. We shall challenge the legal right of the New Haven to vote any of its Boston & Maine stock at the coming annual meeting."

**BOSTON & MAINE.—Annual Report.**—The annual report issued on Monday shows for 1923 a deficit after fixed charges of \$3,491,070, compared with a surplus of \$27,991 for 1922. A condensed income statement follows:

	1923	Increase or decrease
Operating revenues .....	\$86,193,418	Inc. \$6,393,295
Operating expenses .....	75,254,893	Inc. 8,200,497
Net operating revenue .....	\$10,938,525	Dec. \$1,807,202
Operating ratio .....	(87.31%)	Inc. (3.28)
Tax accruals .....	2,930,959	Inc. 350,282
Uncollectible revenues .....	4,458	Dec. 636
Operating income .....	\$8,003,108	Dec. \$2,156,848
Rents from equipment (excluding freight cars) .....	479,929	Inc. 14,246
Joint facility rent income .....	125,466	Dec. 41,871
Total .....	\$8,608,502	Dec. \$2,184,473
Hire of freight cars—Debit balance .....	\$4,853,532	Inc. \$1,112,559
Rents for other equipment .....	553,143	Inc. 105,809
Joint facility rents .....	214,413	Inc. 85,485
Total .....	\$5,621,088	Inc. \$1,303,852
Net railway operating income .....	\$2,987,414	Dec. \$3,488,325
Other income .....	745,360	Dec. 51,850
Gross income .....	\$3,732,774	Dec. \$3,540,175
Other deductions .....	7,223,844	Dec. 21,113
Net income .....	(Loss) \$3,491,070	*Dec. \$3,519,062

\* Net income for 1922 showed a balance of \$27,991.

**CHESAPEAKE & OHIO.—Buys Road.**—The Ashland Coal & Iron Railway, extending between Ashland, Ky., and Seaton, a distance of about 22 miles, has been purchased from the American Rolling

Mill Company. Including the line between Ashland and Seaton, the Ashland Coal & Iron Railway, with its terminal at Ashland, has a total trackage of 42 miles.

**CHICAGO & ILLINOIS WESTERN.—Sale.**—This 30-mile line, between Hawthorne, Ill., and Willow Springs, southwest of Chicago, has been purchased by the Commonwealth Edison Company and the People's Gas Light & Coke Company of Chicago. The Chicago & Illinois Western has connections with all roads entering Chicago by way of the Belt Railway of Chicago and will be used primarily for handling coal to the plants of the purchasers. Application has been made to the Illinois Commerce Commission for approval of the sale.

**CLEVELAND UNION TERMINALS COMPANY.—Bonds Sold.**—J. P. Morgan & Co., the First National Bank and the National City Company have sold \$10,000,000 of 5 per cent first mortgage series B sinking fund bonds at 97, to yield 5.15 per cent.

**CLEVELAND, SOUTHWESTERN & COLUMBUS.—Sale.**—This road, which has been in the hands of receivers since January 20, 1922, was sold to representatives of the stockholders on March 14 for \$4,605,000.

**CUBA NORTHERN.—Equipment Trusts Sold.**—The National City Company has sold \$1,680,000 6½ per cent equipment trust certificates at prices to yield from 6 to 7 per cent, according to maturity.

**DELAWARE, SUSQUEHANNA & SCHUYLKILL.—Control.**—See Lehigh Valley.

**INTERNATIONAL RAILWAYS OF CENTRAL AMERICA.—Bonds Offered.**—F. J. Lisman & Co. are offering \$1,000,000 first mortgage sinking fund 5 per cent bonds, due May 1, 1922, at 71, to yield over 7.15 per cent. The bonds are secured by a first lien on 458 miles of road, including 198 miles from Atlantic to Guatemala City, and 157 miles from San Salvador City to La Union on Fonseca Bay.

**KANSAS CITY, MEXICO & ORIENT.—Sale.**—The Kansas City, Mexico & Orient was sold at public auction at Wichita, Kans., on March 27, for \$3,000,000. The purchaser was Clifford Histed, vice-president and general solicitor of the road. Only one other bid was made. P. D. Tuckett, representative of the English stockholders, attempted unsuccessfully to have the sale postponed and did not offer a bid. Pending its reorganization the road will continue operation under the administration of W. T. Kemper, receiver.

**KANSAS CITY SOUTHERN.—Annual Report.**—A preliminary report of the operations for the year 1923 shows the following income account:

	1923	1922
Freight revenue .....	\$18,086,262	\$16,336,125
Passenger revenue .....	2,422,777	2,201,624
Total operating revenues, including other .....	22,485,099	20,361,180
Maintenance of way and structures .....	3,547,640	2,562,346
Maintenance of equipment .....	4,274,865	4,100,872
Traffic .....	533,644	502,350
Transportation .....	7,401,645	7,023,099
General .....	954,668	902,220
Total operating expenses .....	16,708,811	15,083,460
Net revenue from railway operations .....	5,776,288	5,277,720
Railway tax accruals .....	1,435,907	1,315,676
Railway operating income .....	4,330,070	3,956,520
Total non-operating income .....	1,312,174	391,714
Gross income .....	5,642,244	4,348,234
Total deductions from gross income .....	2,868,811	2,761,703
Net income .....	2,773,434	1,586,531
Dividends on preferred stock .....	840,000	840,000
Income balance .....	1,933,434	746,531

**KANSAS CITY TERMINAL.—M.-K.-T. to Use Facilities Pending Adjustment of Compensation Controversy.**—The Interstate Commerce Commission on March 27 issued a Service Order No. 40 requiring the Kansas City Terminal to permit the Missouri-Kansas-Texas to use the union passenger station and other terminal facilities at Kansas City upon the terms of an operating agreement of June 12, 1909, and supplemental agreement of January 24, 1910, and at the rate of compensation provided for in the agreements, pending an agreement between the carriers as to the compensation to be paid, or in the event of their disagreement, a finding by the commission as to the just and reasonable compensation. This action was taken in response to a petition of the Missouri-Kansas-Texas, which the courts have held is not bound by the operating agreement entered into by the Missouri, Kansas & Texas, and which has elected not to become

a proprietary company of the terminal company. The companies have failed to agree upon compensation to be paid for the use of the facilities and the terminal company had notified the road that it could only continue to use them according to the terms of the operating agreement.

**LEHIGH VALLEY.—Control of Delaware, Susquehanna & Schuylkill.**—This company has been authorized by the Interstate Commerce Commission to acquire control of the Delaware, Susquehanna & Schuylkill by lease and stock ownership.

**MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE.—Collateral Trust Notes.**—This company has been authorized by the Interstate Commerce Commission to issue \$3,471,374 of 5½ per cent collateral trust notes to be used to acquire 80,263 shares of the common stock of the Wisconsin Central from the minority holders by issuing notes at the rate of \$43.25 for each \$100 share of stock.

**Wisconsin Central Stock.**—The Minneapolis, St. Paul & Sault Ste. Marie has declared operative the plan for the purchase of Wisconsin Central common stock. W. J. Wollman, chairman of the Wisconsin Central minority stockholders' committee, reported that 75,580 shares have been deposited with the committee out of a total of 80,230 shares outstanding. This stock is to be exchanged for the 5½ per cent collateral trust notes of the Soo.

**MISSOURI-KANSAS-TEXAS.—Compensation for Use of Facilities.**—See Kansas City Terminal.

**NEW YORK, NEW HAVEN & HARTFORD.—Annual Report.**—The annual report for the year ended December 31, 1923, issued on Thursday, shows a deficit after all charges of \$2,917,106, an improvement over the preceding year of \$1,948,662. A selection of the important figures in the income account follows:

	1923	Increase or decrease
Freight revenue .....	\$67,186,374	\$7,254,697
Passenger revenue .....	51,360,209	2,142,413
Total operating revenues .....	133,940,586	10,693,946
Maintenance of way and structures .....	16,376,045	—112,887
Maintenance of equipment .....	32,217,092	5,812,760
Traffic .....	711,224	53,865
Transportation .....	53,037,109	1,954,400
General .....	3,403,444	—1,854
Total operating expenses .....	107,816,094	7,827,238
Net operating revenue .....	26,124,492	2,866,707
Tax accruals .....	4,934,004	347,680
Railway operating income .....	22,121,959	2,628,334
Net railway operating income .....	13,277,728	1,203,568
Total non-operating income .....	7,192,233	665,869
Gross income .....	20,469,961	1,869,436
Total deductions from gross income .....	23,387,067	—79,226
Net income .....	2,917,106	1,948,662
Ratio of operating expenses to total operating revenues .....	80.50%	.63%

**PELHAM & HAVANA.—Application to Abandon.**—The first hearing on the application to junk this 24-mile line, between Cairo, Ga., and Havana, Fla., will be heard in Thomasville, Ga., on April 15.

**PENNSYLVANIA.—Annual Report.**—This company's annual report for 1923 is reviewed in an article on another page of this issue entitled "Pennsylvania Continues Operating Improvement."

**SALINA & SANTA FE.—To Acquire Salina Northern.**—This com-

pany has applied to the Interstate Commerce Commission for authority to acquire the Salina Northern by purchase, to lease it to the Atchison, Topeka & Santa Fe for operation and to issue \$300,000 of capital stock.

**SAN LUIS SOUTHERN.—Receiver Appointed.**—C. A. Robinson has been appointed receiver for the San Luis Southern by the District Court of Denver, Colo. The road, which is 32 miles long, extends from Blanca, Colo., to Jarosa.

**SOUTHERN.—Equipment Trust Certificates.**—The Interstate Commerce Commission has authorized an issue of \$6,600,000 of 5 per cent equipment trust certificates to be sold at not less than 97.25. The certificates had been sold in advance to Drexel & Co.

**ST. LOUIS-SAN FRANCISCO.—Bonds.**—This company has applied to the Interstate Commerce Commission for authority to issue and sell or pledge \$5,904,200 of prior lien mortgage 5½ per cent gold bonds, dated January 1, 1922, and maturing January 1, 1942, to be sold at not less than 85; also \$2,984,600 of prior lien mortgage 5 per cent bonds dated January 1, 1916, and maturing January 1, 1950, at not less than 75; also to issue and pledge \$2,952,100 of adjustment mortgage 6 per cent gold bonds. The proceeds are to be used to reimburse the treasury for expenditures.

Lee, Higginson & Co., the Guaranty Company, Speyer & Co., and J. & W. Seligman & Co., are offering \$8,500,000 St. Louis-San Francisco prior lien mortgage 5½ per cent gold bonds, series D, due January 1, 1942, at 92 and interest to yield about 6¼ per cent. On completion of this financing there will be outstanding \$142,044,450 bonds, the total issue being limited to \$250,000,000.

**UNION PACIFIC.—Equipment Trust Certificates.**—The Interstate Commerce Commission has authorized this company to assume obligation and liability in respect of \$3,000,000 of equipment trust certificates to be sold at not less than 93.94.

**WESTERN PACIFIC.—New Director.**—R. R. Pardow has been elected a director, succeeding Thomas S. Montgomery.

**WISCONSIN CENTRAL.—Soo Accepts Stock Plan.**—See Minneapolis, St. Paul & Sault Ste. Marie.

#### Trend of Railway Stock and Bond Prices

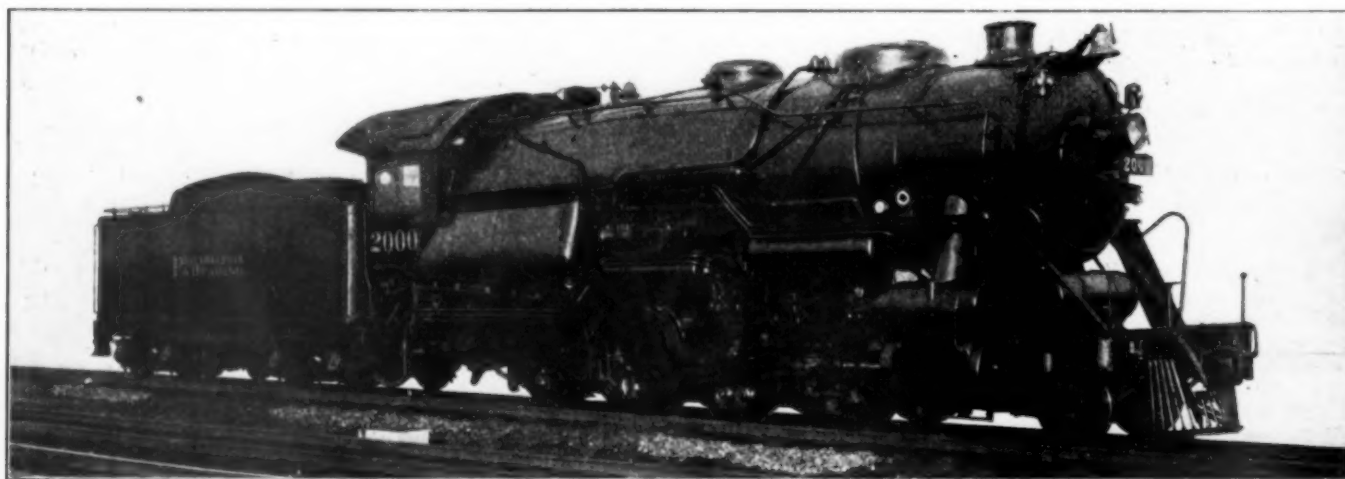
	April 1	Last Week	Last Year
Average price of 20 representative railway stocks .....	63.07	62.72	66.00
Average price of 20 representative railway bonds .....	84.88	85.26	82.18

#### Dividends Declared

Atchison, Topeka & Santa Fe.—Common, 1½ per cent, quarterly, payable June 2 to holders of record May 2.

Baltimore & Ohio.—Common, 1¼ per cent, quarterly; preferred, 1 per cent, quarterly; both payable June 2 to holders of record April 12.

Delaware, Lackawanna & Western.—3 per cent, quarterly, payable April 21 to holders of record April 5.



A New Consolidation Type for the Reading



## Railway Officers

### Executive

**H. Giddings** has been appointed vice-president and general manager of the Pacific Fruit Express, with headquarters at San Francisco, Cal., succeeding C. M. Secrist, deceased.

### Financial, Legal and Accounting

**M. C. Manning** has been appointed freight claim agent of the Maine Central, with headquarters at Portland, Me., succeeding W. H. Collins, deceased.

**G. G. Holcomb**, assistant tax commissioner of the Union Pacific, with headquarters at Omaha, Nebr., has been promoted to tax commissioner, with the same headquarters. **A. H. Scribner** has been appointed assistant tax commissioner, with headquarters at Omaha, succeeding Mr. Holcomb.

### Operating

**W. L. Rader** has been appointed trainmaster of the Uintah Railway, with headquarters at Mack, Colo.

**T. H. Lantry**, whose promotion to general superintendent on the Northern Pacific, with headquarters at Livingston, Mont., was reported in the *Railway Age* of March 15, was born in 1867 at McGregor, Iowa. He entered railway service in 1888 as a telegraph operator on the Chicago, Milwaukee & St. Paul and held this position until the following year when he was appointed train dispatcher on the Minneapolis, St. Paul & Sault Ste. Marie. Mr. Lantry subsequently served in a similar capacity on the Atchison, Topeka & Santa Fe, the Great Northern and the Chicago, Burlington & Quincy. He entered the service of the Northern Pacific in 1900 as a train dispatcher at Spokane,



T. H. Lantry

Wash., was promoted to trainmaster in 1907 and to division superintendent in 1911. Mr. Lantry was promoted to assistant to the vice-president in 1917, later receiving leave of absence to enter the service of the Russian Railway Service Corps as a lieutenant colonel. Mr. Lantry returned to the Northern Pacific in 1920 as assistant to the general manager and in the same year was promoted to division superintendent, with headquarters at Livingston, Mont. He was later transferred to Seattle, Wash., and continued in this position until his recent promotion to general superintendent.

**G. C. Randall**, district manager of the Car Service Division of the American Railway Association at Dallas, Tex., has been transferred to Birmingham, Ala., in the same capacity succeeding S. H. Charles, deceased. **R. C. Andrews** has been appointed district manager at Dallas, succeeding Mr. Randall.

**C. A. Dunham**, signal engineer of the Great Northern, with headquarters at St. Paul, Minn., has been given the title of superintendent of signals, with the same headquarters, and will report directly to the vice-president in charge of operation. **H. E. Brashares**, assistant signal engineer, with headquarters at St. Paul, has been given the title of assistant superintendent of signals, with the same headquarters.

**A. E. Walker**, superintendent of the Kansas division of the Chicago, Rock Island & Pacific, with headquarters at Herington, Kan., has been promoted to general superintendent of the second district, with headquarters at El Reno, Okla., succeeding **H. L. Reed**, who has been transferred to the first district, with headquarters at Des Moines, Ia.

### Engineering, Maintenance of Way and Signaling

**Hadley Baldwin**, assistant to the general manager of the Cleveland, Cincinnati, Chicago & St. Louis, with headquarters at Cincinnati, Ohio, has been promoted to chief engineer, with the same headquarters, succeeding **C. A. Paquette**, who has resigned to become president of the M. E. White Company, the White Construction Company and other affiliated companies and chairman of the board of the White Paving Company, New York and Chicago.

**G. C. Cleveland**, chief engineer of the New York Central lines west of Buffalo, with headquarters at Cleveland, Ohio, has been appointed consulting engineer with the same headquarters, having reached the age of 70 years.



G. C. Cleveland

**R. O. Rote**, assistant chief engineer, with headquarters at Cleveland, has been promoted to chief engineer, succeeding Mr. Cleveland, and the office of assistant chief engineer has been abolished. **Charles Yoder**, engineer of track, with headquarters at Cleveland, has been promoted to engineer maintenance of way, with the same headquarters, a newly-created position. **L. B. Holt**, office engineer, with headquarters at Cleveland, has been promoted to engineer of track, with the same headquarters, succeeding Mr. Yoder. Mr. Cleveland was born in 1854 at Dover, Mass., and entered railway service in 1873, as a rodman on the Providence & Springfield, now a part of the New York, New Haven & Hartford. During the following year he left railway service, returning in 1880 on the Mexican Central as officer in charge of location surveys. He was later promoted to assistant chief engineer in charge of construction and continued in this position until 1885, when he again left railway service for a period of six years. Mr. Cleveland was appointed principal assistant engineer of the Lake Shore & Michigan Southern, now a part of the New York Central,



R. O. Rote

in 1891, and in 1905 he was promoted to assistant chief engineer in charge of maintenance and construction. He was promoted to chief engineer in September, 1912, and continued in that position until his recent appointment as consulting engineer. Mr. Rote was born on March 22, 1871, at Geneva, Ohio, and entered railway service in 1889, as a rodman on the Michigan Central. He subsequently served as instrument man, inspector and draftsman and in 1893 was appointed chief draftsman on the Lake Shore & Michigan Southern, now a part of the

New York Central. Mr. Rote was promoted to second assistant engineer in 1899, and in January, 1905, was promoted to principal assistant engineer. He was promoted to assistant chief engineer in September, 1912, and held this position until 1915, when the Lake Shore & Michigan Southern became a part of the New York Central, at which time he was appointed assistant chief engineer of the New York Central lines west of Buffalo, with headquarters at Cleveland, Ohio. Mr. Rote continued in this capacity until his recent promotion to chief engineer.

### Traffic

**R. H. Dutiel** has been appointed general agent for the Ann Arbor, with headquarters at Minneapolis, Minn.

**C. L. Senter** has been appointed assistant general freight agent of the Seaboard Air Line, with headquarters at Jacksonville, Fla.

**B. O. Searles**, general agent for the Chicago, Milwaukee & St. Paul, with headquarters at Cincinnati, Ohio, has been appointed division freight and passenger agent, with headquarters at Sioux City, Iowa. **G. C. Armstrong**, traveling freight agent, with headquarters at Cincinnati, has been promoted to general agent, with the same headquarters, Cincinnati, succeeding Mr. Searles.

**S. G. Reed**, whose promotion to assistant traffic manager of the Southern Pacific, with headquarters at Houston, Texas, was reported in the *Railway Age* of March 15, was born on March 26, 1867, at Franklin Parish, La. He attended Colgate University from 1884 to 1886 and entered railway service as a freight agent on the Southern Pacific in November, 1888. He was promoted to chief clerk to the general freight and passenger agent of the New York, Texas & Mexican in November, 1889, and held this position until November, 1905, when he was promoted to division freight and passenger agent of Morgan's Louisiana & Texas. Mr. Reed was transferred to the Houston & Texas Central in October, 1906, and in January, 1911, he was promoted to assistant general freight agent. He was appointed assistant general freight and passenger agent of the Southern Pacific, in January, 1912, and continued in this capacity until September, 1918, when he was promoted to corporate land and tax agent. Mr. Reed was promoted to assistant general freight agent of the Texas lines in March, 1920, and in December of the following year, he was promoted to assistant to the traffic manager. He continued in this position until his recent promotion to assistant traffic manager.

### Mechanical

**W. A. Bender**, general foreman of the Chicago, Milwaukee & St. Paul, with headquarters at Green Bay, Wis., has been appointed superintendent of shops of the Missouri Pacific, at St. Louis, Mo.

### Special

**Iwao Koyama** has been appointed resident representative of the Japanese Government Railways in New York, succeeding **Taizo Hattori**, who is returning to Japan by way of Europe.

### Obituary

**H. C. Ansley**, formerly treasurer of the Southern, died at his home in Washington on March 29.

**H. T. Douglas, Jr.**, chief engineer of the Chicago & Alton, with headquarters at Chicago, died in that city on March 31.

**Howard M. Jones**, supervising engineer in the Bureau of Valuation of the Interstate Commerce Commission, died suddenly in the office of the commission at Washington on March 29.

**P. W. Drew**, formerly division superintendent of telegraph of the Minneapolis, St. Paul & Sault Ste. Marie, who retired from

active service in 1919, died in Los Angeles, Cal., on March 25. Prior to his retirement, Mr. Drew was secretary of the Association of Railroad Telegraph Superintendents.

**John N. Abbott**, formerly general passenger agent of the Erie and later assistant to the president of the Great Northern, who retired from railroad service in July, 1891, died in New York on March 30. Mr. Abbott was chairman of the Western Passenger Association from March, 1887, to December, 1889.

**J. P. Park**, assistant general traffic manager of the St. Louis-Southwestern, with headquarters at St. Louis, Mo., died in that city on March 27. Mr. Park was born on August 21, 1860, at Bloomington, Ill., and entered railway service in 1887 as a rate clerk on the Missouri Pacific. He was appointed chief rate clerk of the St. Louis Southwestern in 1895 and later was promoted consecutively to assistant general freight agent, general freight agent, and in February, 1904, assistant general traffic manager.

**L. S. Brown**, general manager of the Atlantic region of the Canadian National, with headquarters at Moncton, N. B., died on April 2 from apoplexy at the general offices of the company at Moncton. Mr. Brown was born on October 19, 1863, at Nelson, N. B. He attended high school at Newcastle, N. B., and entered railway service in December, 1880, with one of the predecessors of the Canadian National at Newcastle. His first work was in the mechanical department and soon thereafter, he became a yard foreman and after mastering telegraphy was appointed assistant agent at Newcastle. In 1883 he was appointed dispatcher at Campbellton, N. B. In 1898 he was appointed chief dispatcher at New Glasgow, N. S., and in 1912 was advanced to assistant superintendent at Newcastle. The following year he was promoted to superintendent at New Glasgow and in 1917 he became assistant general superintendent at Moncton. In 1917 he became general superintendent and in 1920 assistant general manager at Montreal. In March, 1923, Mr. Brown was promoted to general manager of the Atlantic region of the Canadian National, the position he was holding at the time of his death.



L. S. Brown

**W. H. Collins**, freight claim agent of the Maine Central, with headquarters at Portland, Me., died in that city on March 27. He was born on September 8, 1877, at Haverhill, Mass., and entered the service of the Maine Central on June 15, 1897, as a clerk in the freight audit office and subsequently served as a special agent, traveling auditor, chief clerk in the freight claims bureau and later in the auditor of disbursement's office. On July 19, 1918, Mr. Collins was appointed freight claim agent, which position he held at the time of his death.

**Allan F. Read**, former general foreign freight agent of the Grand Trunk, died in Montreal on March 29 after a long illness. He was born in Clinton, Ont., in 1863, and entered the service of the Midland Railway in 1884, and when that road was later absorbed by the Grand Trunk Railway Mr. Read became a secretary in the general freight department. After steady promotion he became foreign freight agent of the road in 1894 with headquarters in Montreal. When J. E. Dalrymple was named vice-president in charge of traffic of the Grand Trunk and the Grand Trunk Pacific Mr. Read was promoted to general foreign freight agent of the combined systems. He retired under the superannuation plan of the company on January 1, 1921.